DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FOURTH SESSION—FOURTEENTH PARLIAMENT

15-16 GEORGE V, 1925

VOLUME III, 1925

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OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1925

CANADA

House of Commons Debates

OFFICIAL REPORT

Wednesday, April 15, 1925

The House met at three o'clock.

WESTERN FRUIT COMBINE

Hon. JAMES MURDOCK (Minister of Labour): I beg to lay on the table copy of interim report, writings, telegrams and other documents in connection with the recent investigation into the fruit combine in the west, asked for by the right hon. leader of the opposition (Mr. Meighen) on April 6. These documents represent, I believe, all that the mover of the motion desires and include all the documents that the Department of Labour feels free to table at this time.

REPORT

Report of the chief whips who attended the Wembley exhibition.—Hon. Mr. Robb.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

ASIATIC IMMIGRATION INTO CANADA

Mr. McQUARRIE:

1. Has the government or any minister or official thereof, received from the government of the province of British Columbia, the following resolution unanimously passed by the British Columbia legislature on the 17th day of December, 1924, or any resolution to the same effect, namely,—

Therefore be it resolved, that this House go on record as being utterly opposed to the further influx of Orientals into this province, and further, that this House places itself on record as being in favour of the enactment of such amendment to the "Immigration Act of Canada," as is necessary to completely prohibit Asiatic immigration into Canada.

Be it further resolved, that this House is also of the opinion that the field of industrial and commercial activities of all Orientals now in Canada, particularly British Columbia, should be restricted by legislation.

And be it further resolved, that an humble address be presented to His Honour the Lieutenant Governor, praying that he cause a copy of this resolution to be transmitted to the hon. the Secretary of State or other proper official at Ottawa, for presentation to His Excellency the Governor General in Council.

Be it further resolved, that the government of the Dominion of Canada be respectfully requested to grant adherence on the part of Canada to no treaty or binding international obligation in any form whatsoever having the effect of limiting the authority or power of provincial legislatures in respect of the regulation of social and industrial activities within the provinces; and, further that the government of the Dominion of Canada be respectfully requested to forthwith take the action necessary to bring about the denunciation of any and all treaties in so far as the terms and provisions of the same have the effect of depriving the Dominion of Canada of the power of regulation, control and prohibition of Asiatic immigration?

2. By whom was the said resolution received, and what disposition was made thereof?

3. Has the said resolution been considered by the Privy Council, and if so, when?

4. What action has been taken by the government in regard to the said resolution?

5. What reply has been sent to the government of British Columbia in regard thereto?

6. What action does the government propose to take in regard to the view expressed by the said legislature that it is utterly opposed to the further influx of orientals into the province of British Columbia, and in particular, does the government intend to comply with the request of the said legislature for an amendment to the Immigration Act of Canada to completely prohibit Asiatic immigration into Canada?

7. Is it the intention of the government to give effect to the request of the British Columbia legislature to grant adherence on the part of Canada to no treaty or binding international obligation in any form whatsoever having the effect of limiting the authority or power of provincial legislatures in respect to the regulation of social and industrial activities within the provinces, as mentioned in the said resolution?

8. Does the government intend to give effect to the request of the said legislature to forthwith take the action necessary to bring about the denunciation of any and all treaties in so far as the terms and provisions of the same have the effect of depriving the Dominion of Canada of the power of regulation, control and prohibition of Asiatic immigration, as set out in the said resolution?

9. Is it true that existing treaties between Great Britain and Japan prevent the legislature of the province of British Columbia from passing legislation prohibiting the holding or leasing of land by Orientals, and otherwise curtailing the rights and privileges of Orientals in British Columbia? If so, specify such treaties and give particulars of the effect thereof in regard to the matters hereinbefore mentioned.

10. Is the said resolution now in the custody of the Minister of Immigration and Colonization or his deputy?

11. Why did the Deputy Minister of Immigration and Colonization refuse to furnish the member for New Westminster with a copy of said resolution?

Right Hon. Mr. MACKENZIE KING:

1. Yes.

2. The Secretary of State, who transmitted it to the Clerk of Privy Council, for consideration by the cabinet.

3. Yes. Upon its receipt.

4. Its representations are receiving due consideration.

5. The communication was officially acknowledged by the Department of the Secretary of State.

6. Answered by answer to No. 4.

7. The action to be taken with respect to treaties or binding obligations of the character referred to will be determined when the same present themselves for consideration.

8. The government's action with respect to any and all treaties will be decided in the light of all international and other material considerations.

9. In 1911 a treaty of Commerce and Navigation was concluded between the United Kingdom and Japan. In 1913 Canada adhered to this treaty, declaring it to have the force of law in Canada, subject to the provision that "nothing in this treaty shall be deemed to repeal or affect any of the provisions of the Immigration Act." (Japanese Treaty Act, 3-4 George V, chap. 27.)

Article I on this treaty is as follows:

The subject of each of the high contracting parties shall have full liberty to enter, travel, and reside in the territories of the other and conforming themselves to the laws of the country:

(1) Shall, in all that relates to travel and residence, be placed in all respects on the same footing as native subjects; (2) They shall have the right, equally with native subjects, to carry on their commerce and manufacture, and to trade in all kinds of merchandise of lawful commerce, either in person or by agents, singly or in partnerships with foreigners or native subjects; (3) They shall in all that relates to the pursuit of their industries, callings, professions, and educational studies be placed in all respects on the same footing as the subjects or citizens of the most favoured nation; (4) They shall be permitted to own or hire and occupy houses, manufactories, warehouses, shops, and premises which may be necessary for them, and to lease land for residential, commercial, industrial, and other lawful purposes, in the same manner as native subjects; (5) They shall, on condition of reciprocity, be at full liberty to acquire and possess every description of property, movable or immovable, which the laws of the country permit or shall permit the subjects or citizens of any other foreign country to acquire and possess, subject always to the conditions and limitations prescribed in such laws. They may dispose of the same by sale, exchange, gift, marriage, testament, or in any other manner, under the same conditions which are or shall be established with regard to native subjects. They shall also be permitted, on compliance with the laws of the country, freely to export the proceeds of the sale of their property and their goods in general without being subjected as foreigners to other or higher duties than those to which subjects of the country would be liable under similar circumstances; (6) They shall enjoy constant and complete protection and security for their persons and property; shall have free and easy access to the courts of justice and other tribunals in pursuit and defence of their claims and rights; and shall have full liberty, equally with native subjects, to choose and employ lawyers and advocates to represent them before such courts and tribunals; and generally shall have the same rights and privileges as native subjects in all that concerns the administration of justice; (7) They shall not be compelled to pay taxes, fees, charges, or contributions of any kind whatever, other or higher than those which are or may be paid by native subjects or the subjects or citizens of the most favoured nation; (8) And they shall enjoy a perfect equality of treatment with native subjects in all that relates to facilities for warehousing under bond, bounties, and drawbacks.

10. Copy of resolution is now on file in the Department of Immigration and Colonization.

11. The Department of Immigration and Colonization does not, as a rule, give copies of official documents and, if given, it is only when such documents are the sole property of the department which was not the case in this instance, the document having been addressed to the Honourable the Secretary of State for presentation to the Governor General in Council.

[Mr. Mackenzie King.]

VANCOUVER HARBOUR COMMISSION ELEVATORS

Hon. Mr. STEVENS:

1. Is delivery made out of the Vancouver Harbour Commission elevators of any commodity other than by warehouse receipt?

2. Has the Board of Vancouver Harbour Commissioners recently sold 560 tons of screenings?

3. If so, who purchased these screenings on behalf of harbour commissioners, and at what prices?

4. Were the said screenings sold through brokers?

5. What was the commission or brokerage paid by the harbour commission to the said brokers?

6. Were the said screenings handled by one firm of brokers?

7. What was the price received by said brokers for said screenings; and what was the net price received by the harbour commissioners for the said screenings?

8. At the close of the last crop year, was there not a shortage of screenings in the weigh-up of the Vancouver Harbour Commission elevators?

9. If so, how is it that the harbour commissioners are now selling screenings through brokers?

10. Why did the harbour commissioners not sell the said screenings direct after public advertisement?

11. Is it conducive to confidence in public administration of terminal elevators to permit a member of

the harbour commission to hold a large interest in a grain handling firm, doing business with the harbour commissioners?

Hon. Mr. CARDIN:

1. No.
2. The Vancouver Harbour Commissioners have sold 700 tons of screenings.
3. They were purchased by the commissioners direct at $5 per ton.
4. Yes.
5. Twenty-five cents per ton.
6. Yes.
7. (a) $10 per ton. (b) $9.75 per ton.
8. Yes.
9. Ample screenings on hand owned by the commissioners from 1924-25 operations along with warehouse receipts which were purchased 1923-24 operations take care of 1923-24 shortage.
10. Public notice inviting tenders placed in Merchants' Exchange of this city by commissioners' broker for two days after advertisement in paper advising commissioners intended to call for tenders and screenings sold to the highest bidder.
11. It is contrary to the usual practice to return answers to hypothetical questions.

VANCOUVER HARBOUR COMMISSIONERS

Hon. Mr. STEVENS:

1. Having reference to questions answered in Hansard, March 18, page 1261, is the government aware that in addition to the launch Fispa the harbour commission have a second boat known as the Atchinson and there is being built at Erickson Brothers a third?
2. Were tenders called for the construction of the said boat? If so, how many tenders were received, in what papers did the advertisement appear, what was the lowest tender, what is the figure of the present contract for the construction of the said vessel?
3. Was the acquisition of the second and the construction of the third vessel approved of by the government?
4. Out of what appropriation is the cost of the said vessel being paid?
5. Was the government in possession of this information when answering the previous questions on page 1316?

Hon. Mr. CARDIN:

1. The Vancouver Harbour Commission has in commission a boat known as Atkinson and there is being constructed another boat for the use of the commission by Erickson Bros.
2. Tenders were called by public advertisement in the following newspapers: Vancouver Sun; Vancouver Province; Vancouver Star; Journal of Commerce. Five tenders were received, the lowest being $6,156.30 at which figure the contract was let.
3. No.
4. Out of revenue of commission.
5. No.

CANADIAN NATIONAL RAILWAYS—RADIO STATIONS

Mr. SUTHERLAND:

1. What has been the capital cost of the Canadian National Railways radio stations to date?
2. What has been the cost of up-keep to date?
3. What has been the cost of operation to date?
4. What has been the total expenditure and indebtedness incurred in relation to this matter by the Canadian National Railways?

Hon. Mr. GRAHAM:

1. To December 31, 1924, $51,621.63.
2 and 3. To December 31, 1924, $129,670.25.
4. To December 31, 1924, $181,291.88.

CANADIAN NATIONAL RAILWAYS—FREIGHT TONNAGE

Sir HENRY DRAYTON:

What are the respective freight tonnage moved by the Canadian National system on the line running from Yellowhead pass to Vancouver, and the line running from that pass to Prince Rupert in each of the years 1923 and 1924?

Hon. Mr. GRAHAM:

	1923	1924
Tons of revenue freight received at Prince Rupert from points east..	33,052	26,237
Tons of revenue freight received at Vancouver.. ..	336,501	676,942

DEPARTMENT OF NATIONAL DEFENCE

Mr. ARTHURS:

1. What properties belonging to or under control of the Department of National Defence have been sold during the years 1923 and 1924?
2. What amount of property was sold in each case?
3. What amount was received for each property?
4. Were tenders invited for any properties sold?

Hon. Mr. MACDONALD:

1, 2 and 3.—Property—Area and Price—(1) Beamsville, Ont., drill hall site, 0.32, $400. (2) Caledonia, Ont., drill hall site, 0.37, $350. (3) St. Ann's, Ont., drill hall site, 0.14, $120. (4) Summerside, P.E.I., rifle range (part), 5.95, $150. (5) Sydenham hospital site, Kingston, (part), 4.6 ac., $10,000. (6) Oshawa, Ont., drill hall site (part), 240 sq. ft., $420. (7) Quebec, Citadel Glacis (part), 1,035 sq. ft., $1,500. (8) St. John, P.Q., barracks site (part), 2.3 ac., $375. (9) Cartwright Point, Kingston, 60 ac., $750. (10) Lauzon, P.Q., mil. reserve, 0.02 ac. $80.69. (11) Cobourg drill hall site, 0.5 ac., price nil. (12) McGill drill hall site, Mont-

real, 0.41 ac., price nil. (13) Barrie, Ont., drill hall site, 0.06 ac., price nil. (14) Fort Francis, Ont., drill hall site, 0.75 ac., price nil. (15) Springville, Ont., drill hall site, 0.1 ac., price nil. (16) Campbellville, Ont., drill hall site, 0.12 ac., price nil.

4. Yes.

INSPECTION OF GRADES OF WHEAT

Mr. COOTE:

What was the number of bushels of wheat of each grade inspected at each inspection office in the western division, from September 1, 1924, to February 28, 1925?

Hon. Mr. LOW:

Statement—Showing number of bushels of wheat of each grade inspected at each inspection office in the western grain inspection division from September 1, 1924, to February 28, 1925

Grades	Winnipeg	Calgary	Duluth	Moose Jaw	Saskatoon	Medicine Hat	Edmonton	Vancouver
	bus	bus.	bus.	bus.	bus.	bus.	bus.	bus.
1 Hard..	59,175	21,040	.....	.....	.....	15,780	.....	.....
1 Northern..	27,259,950	4,208,000	232,755	411,595	278,780	770,590	490,495	1,315
2 Northern..	24,579,980	4,361,855	202,510	514,165	361,625	589,120	833,710	31,560
3 Northern..	24,335,390	3,824,020	402,390	792,945	109,145	374,775	1,581,945	118,350
No. 4..	23,898,810	2,343,330	335,325	464,195	53,915	144,650	861,325	69,695
No. 4 special..	2,630	.....	18,410	.....	.....	.....	.....	.....
No. 5..	12,631,890	838,970	42,080	172,265	5,260	30,245	312,970	28,930
No 5 special..	2,630	.....	6,575	.....	.....	.....	.....	.....
No. 6..	5,233,700	456,305	6,575	26,300	1,315	5,260	149,910	10,520
No. 6 special..	.....	.....	.....	.....	.....	.....	.....	.....
Feed..	2,068,495	123,610	1,315	.....	.....	.....	77,585	3,945
Smutty..	227,495	109,145	1,315	13,150	.....	7,890	19,725	3,945
No grade..	10,946,060	2,239,445	126,240	80,215	163,060	23,670	1,898,860	231,440
Rejected..	954,690	103,885	44,710	2,630	.....	19,725	16,520	2,630
Condemned..	19,725	1,315	2,630	.....	.....	.....	.....	.....
No established grade. ..	114,405	11,835	1,315	.....	.....	7,890	1,315	.....
Durum..	3,801,665	1,315	73,640	1,315	.....	.....	.....	.....
Wheat and Wild Oats..	7,890	.....	.....	.....	.....	.....	.....	.....
Wheat and Rye..	.....	.....	.....	.....	.....	1,315	.....	.....
1 Alberta Red Winter ..	.....	2,630	.....	.....	.....	1,315	.....	.....
2 Alberta Red Winter ..	.....	10,520	.....	.....	.....	.....	.....	.....
3 Alberta Red Winter ..	.....	1,315	.....	.....	.....	1,315	.....	.....
No. 4 Red Winter	.....	1,315	.....	.....	.....	.....	.....	.....
(B.C.) No. 1..	.....	.....	.....	.....	.....	.....	.....	2,630
(B.C.) No. 2..	.....	.....	.....	.....	.....	.....	.....	3,945
(B.C.) No. 3..	.....	.....	.....	.....	.....	.....	.....	1,315
	136,144,580	18,659,850	1,497,785	2,478,775	973,100	1,993,540	6,238,360	510,220

FERRY SERVICE AT GROSS POINT

Mr. JONES:

1. Did the Department of Public Works send a representative to ascertain whether or not the ferry service between Gross Point, New Brunswick, and the municipality of Mann, in the province of Quebec, met with the approval of the residents interested in this service, especially in the municipality of Mann?

2. Is it not a fact that a request was made that this service should continue until 10.30 at least three nights a week?

3. If so, why was it not considered before the letting or renewal of the contract?

4. What offers were made by Robert Sinclair, Harper, Andrew and Allard, in connection with this service?

5. What are the conditions contained in the contract now in existence between the present incumbent and the department?

6. Is the present incumbent paying anything to the department for this contract?

Hon. Mr. KING (Kootenay):

1. Yes.

2. Yes.

[Mr. E. M. Macdonald.]

3. Matter of extra trips three times a week fully considered and not recommended in view of danger in operating after dark on account of floating logs and improper lighting of landing wharves, but the following clause was inserted in the regulations:—

"During the months of June, July and August, the ferry boat shall make a crossing every twenty minutes and further, shall cross, until 10.30 p.m., Saturday nights, when it is possible to do so, during the said months."

4. R. L. Sinclair.—Willing to pay $400 per annum for privilege on condition that he be allowed three months to secure a suitable boat; also to provide a half hour service on week days up to 9 p.m., (Saturday nights to 10 p.m.) and a Sunday service 8 a.m. to 8 p.m. for four months, with shorter service balance of season. One hour service at noon and 6 p.m.; G. B. Harper.—Offered to pro-

vide a half hourly service from 6 a.m. to 9 p.m., and a later trip several times a week; A. A. Andrew.—No offer made; Capt. Frank Allard.—Willing to pay $300 or $400 for privilege, and provide a half hourly service and run up to 9 p.m. in early spring and mid-summer months.

5. (a) The limits of the ferry shall extend to a distance of three miles above and below the wharf at the town of Campbellton, in New Brunswick, and to a similar distance above and below the usual ferry landing at Gross Point, in the province of Quebec.

(b) Ferry Boat. The licensee shall place on the ferry service and maintain during the period of the license a suitable vessel propelled by steam. Such vessel shall be of sufficient size for the safe conveyance of passengers, and shall be subject to the approval of the Department of Public Works and the licensee must obtain therefor and produce when required a certificate of fitness, safety, and efficiency from the Dominion Board of Steamboat Inspectors.

(c) Number of trips. During the season of navigation the ferry boat shall commence running daily (Sundays excepted) at 6 o'clock a.m. and shall continue to cross from each side every half hour thereafter until 8 o'clock p.m., except for 6 hours during the day at times of least traffic when only one round trip will be required in the hour. During the months of June, July and August, the ferry boat shall make a crossing every twenty minutes, and further, shall cross until 10.30 p.m. Saturday nights, when it is possible to do so, during the said months.

(d) Tariff of charges. The maximum charges for ferrying shall be as follows:

For a two-horse cart or conveyance, with driver, each way, 40 cents.

For one-horse cart or conveyance, with driver, each way, 30 cents.

For one automobile, with driver, each way, 30 cents.

For one horse, each way, 10 cents.

For each head of horned cattle, each way, 10 cents.

For each head of sheep or swine, each way, 5 cents.

For a passenger, 5 cents.

For every hundred pounds of freight, 4 cents.

(e) The license will be renewed for an additional period of five years from the 1st day of May, 1925.

(f) The licensee will be required to give two sureties satisfactory to the Department of Public Works, who shall be held jointly and severally with the principal in the sum of $500 for the full compliance by the licensee with the terms of the license.

(g) The right is reserved to the Department of Public Works of rejecting the ferry boat should it be deemed unsuitable for the service or unsafe to the public or inadequate to meet the public wants. The right is also reserved to the Governor in Council to modify the maximum tariff should it be deemed expedient in the public interest to do so; and the Governor in Council may declare the license forfeited and void whenever it shall be satisfactorily shown that the licensee fails to comply with the conditions thereof.

(h) The licensee of the ferry shall at all times during the continuance of the license carry over and across the ferry without fee, toll or reward, militiamen, soldiers, or sailors, when provided with proper passports or under the charge of their proper officer or officers and it shall be lawful for the said licensee to commute the rate of passenger fees.

(i) A time table as well as a notice of the rates of fares and tolls to be charged for ferriage shall be put up in a conspicuous place near the ferry landing on both sides, and also on board the steam ferry boat employed. In the above provisos and conditions the term "Licensee" shall extend to and include the executors, administrators and assigns of the licensee. This license shall not be assigned or sublet without the consent of the Governor in Council, but in the event of the death of the licensee, shall enure to the benefit of his personal representatives or as he may by will direct.

5. $10 per annum.

VIOLATION OF NOVA SCOTIA TEMPERANCE ACT

Mr. DOUCET:

1. Is the Department of Customs and Excise aware that within a year from date there was a violation of the Nova Scotia Temperance Act on the premises at Halifax, Nova Scotia, of the Franco-Canadian Import Company, which company is permitted by the department to conduct a bonded warehouse for intoxicating liquors in the said city?

2. If so, what steps, if any, have been taken by the department in the matter?

3. Is the Department of Customs and Excise aware that some person interested in the above-mentioned company and its bonded warehouse at Halifax, within a year from date, has been accused of being guilty of violation of the customs and excise laws?

4. If so, have any proceedings against such person been taken, or directions for proceedings issued, and in what stage is the matter?

5. If no proceedings have been directed or commenced, why is the matter not proceeded with?

Hon. Mr. CARDIN:

1. Yes. The violation, however did not take place on the bonded premises of the company.

2. Investigation was directed and all transactions with regard to bonded warehouse were found to be regular.

3. Yes.

4. A solicitor was appointed to represent the crown and prosecute the company if evidence available warranted. Solicitor reported that evidence not sufficient to obtain conviction against company or any agent thereof.

5. Answered by No. 4.

CANADIAN NATIONAL RAILWAYS—FREE TRANSPORTATION

Mr. GARLAND (Bow River):

1. Did the railway commission recently rule that free transportation on the railways of Canada was to be granted to deputy ministers and their families?

2. Do any civil servants and (or) their families enjoy free or reduced fares on the railways of Canada?

Hon Mr. GRAHAM:

1. By general order of the Board of Railway Commissioners for Canada, No. 274, dated 20th November, 1919, the railway companies under the jurisdiction of the board were permitted to issue free transportation to certain officials of the government of Canada—amongst others, deputy ministers of the federal government and those having the rank of deputy ministers. Under date 9th March, 1925, by order No. 36140, the said general order No. 274 was amended, upon the application of the Railway Association of Canada, dated June 12, 1922, by adding at the end of clause (f) of order No. 274 the words—"and the dependent members of their families."

2. Reduced fares on government railways formerly granted to civil servants were abolished some years ago.

The only civil servants who may now receive free transportation are those referred to in answer No. 1 and (a) officers and employees of the Department of Railways and Canals, or their families; (b) ministers' secretaries; (c) certain officials of the Departments of Customs, Immigration and the Post Office, in the discharge of their duties.

STEAMER MURRAY STEWART

Mr. SIMPSON:

1. Is the steamer Murray Stewart still in the service of the Department of Marine and Fisheries?

2. Was this steamer purchased from or named after the Mr. Stewart of Toronto, recently connected with the Home Bank?

3. What was the price paid by the government for this boat?

4. What was the total cost of operating this steamer during 1924, including repairs, supplies, wages of crew, etc.?

5. How many days during the season of navigation in 1924 was she in active service, and how many days was she tied up to the dock at Parry Sound or elsewhere?

6. Has the department found this boat suitable for the work in which she is engaged?

Hon. Mr. CARDIN:

1. Yes.

2. Purchased from James Frederick Martin Stewart.

3. $80,000.

4. $27,208.38.

5. Commissioned April 20, 1924, to September 30, 1924, and from November 25, 1924, to December 23, 1924.

6. Yes.

FRENCH OFFICIAL PUBLICATIONS

Mr. DOUCET:

1. Why was the introduction to the Annual Report on Education in Canada, for 1923, published and distributed by the Statistical bureau, not translated into French?

2. Is it the intention of the government to restrict, in the future, the number of French official publications?

Hon. Mr. LOW:

1. The introduction to the Annual Report on Education for 1923 has been translated into French. A separate edition in French of this report is being issued.

2. No.

QUESTION PASSED AS ORDER FOR RETURN

DORCHESTER PENITENTIARY—SUPPLIES

*Hon. Mr. BAXTER:

1. By what firms or persons were groceries and other provisions supplied to Dorchester penitentiary last year?

2. Were tenders called for these supplies?

3. What were the quantities and prices?

Hon. Mr. LAPOINTE: The answer to this question is a most voluminous one. If my hon. friend insists on having it answered I have no objection. I think the purpose will be served by changing it into an order for return and I will reply immediately. The question asks for all the supplies sold to Dorchester penitentiary.

Mr. MEIGHEN: All right.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): Has the Minister of Railways received the Peace river transportation report? If not, does he not think it is time to call a conference, or do something else to get somewhere on the question?

Hon. Mr. GRAHAM: The last part of that question is unkind. I expect to have an interview with the heads of the railways to-morrow. It is not a conference as referred to by my hon. friend, or as understood by him, but I have asked the heads of the railways to meet me to-morrow to ascertain what they have to say on the matter.

AUSTRALIAN TREATY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Is the Acting Minister of Finance (Mr. Robb) able to make any statement to the House with respect to the Australian treaty? If his answer is to be that matters are as they were when he spoke last, will he explain what relation the point in question has to the terms of the treaty itself, and whether in the meantime we might not have laid on the table the actual treaty as already signed, though not ratified. It would be of some advantage to the House for the purpose of study even if we are not allowed to act upon it.

Mr. MACLEAN (York): I received a letter yesterday from a firm there largely interested in the export of paper, and they want to see the proposal go through. If the minister wants to see the letter I will send it to him.

Mr. GRAHAM: We all received such a letter.

Hon. J. A. ROBB (Acting Minister of Finance): I have received a lot of such letters. I have nothing further to add to the statement made a few days ago more than this. I would like to correct my right hon. friend (Mr. Meighen). He knows that there is no such thing as a treaty between the two dominions. The term used is an agreement. There has been no treaty signed as my right hon. friend suggests.

Mr. MEIGHEN: An agreement signed?

Mr. ROBB: No, nor an agreement. I have nothing to add to the statement I made a few days ago.

Mr. MEIGHEN: Why could the agreement not be laid on the table? The minister said there was an agreement.

Mr. ROBB: No, I said there was no agreement signed.

Mr. MEIGHEN: Then it is still in the negotiation stage?

Mr. ROBB: Yes.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Tuesday, April 14, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. L. W. HUMPHREY (West Kootenay): The reasons for my rising to take part in this debate are based principally upon three grounds: first, to give if possible a true account of present and past conditions in the province of British Columbia with particular reference to my own district; second, to impress upon the government some legislation in which my province and more particularly my constituency are interested, and third, to place before this House my position in regard to the present budget. I wish to base my remarks, few though they may be, on a spirit of confidence. I rise in a spirit of optimism, with the utmost confidence in my province and in this country. I have listened very attentively to practically all the speeches that have been delivered during this debate. I have been greatly impressed by many of them, and I have noticed that the majority have been characterized by a strong infusion of the spirit of pessimism. I have often said to myself in the course of the speeches made during this debate that I am indeed glad, and consider myself fortunate, to live in a district and a province in which, in my opinion, there is not such a wave of pessimism. That is my first purpose in rising to take part in this debate.

Going on further, I might say that most of the speeches that have been made during this debate have referred to either protection or free trade, and the same thing is true of speeches delivered during many of our debates, the contention being that either protection or free trade is the cure for all our troubles and ills in Canada. In fact, I think during this debate we have heard the budget speech which was delivered by the Acting Minister of Finance (Mr. Robb) called nearly everything a budget speech could be called. It is my intention, not to take issue with regard to those remarks, but if possible to put on record in this House my views as to what are the paramount or first issues in this country, or in other words, what I would consider questions of the greatest importance. My position is that I do not consider the tariff question altogether the most important issue in Canada to-day. I know quite well there are in this Dominion people who have made

an interesting and exhaustive study of the tariff question and who maintain that it is the most important. I maintain that the question of decreased taxation, the question of expenditure and questions pertaining to transportation are of greater importance to this country than the tariff question.

I wish to consider the affairs of Canada along the lines of a strictly big business proposition, as I would consider the affairs of a private business, and to urge a decrease, if possible, in the burden of taxation and the adoption of policies that will be in the best interest of the country. I desire to be identified with policies that will work out to the benefit of the country, that will restore public confidence and that will, if possible, overcome some of the serious tales of woe that are continually being broadcasted throughout Canada. If, in any degree, confidence can be restored by some other means than by recognizing the tariff as the paramount issue, I believe it will assist in lessening our taxation burden.

I should like, for a moment, to explain my position in this House. My primary duty has been to labour and to the farmer. I was not elected under the auspices of and I do not owe a duty to any political organization, and this, perhaps, accounts for some of the positions I may be able to take and why I may be able to look at questions from a different angle. Not having a political organization to respond to, but having a primary duty to my supporters, especially to labour and to the farmers, I might be in a different position as regards some of the statements to which I shall refer.

Keeping in mind my first reason for taking part in this debate, I should like for a moment to refer to conditions in British Columbia. Yesterday evening, we listened to a very interesting address delivered by the hon. member for New Westminster (Mr. McQuarrie). At the conclusion of his remarks, he, being a member for British Columbia, referred to the conditions in that province. Having the honour and privilege of representing a constituency in British Columbia, I cannot subscribe to all that he stated last night, and I should like to describe conditions as I find them to-day in my province and more especially in my constituency, keeping in mind the remarks that have been made by previous speakers, particularly the Minster of Public Works (Mr. King) and the hon. member for New Westminster. My statements that I have confidence in this country and that I am filled with a spirit of optimism, are, I believe, based on existing conditions in British Columbia. In my constituency business conditions have not been as good for many years. There is increased activity in mining and in practically every other industry in the province. It is only necessary for anyone to pick up a newspaper from British Columbia to find that these statements are, in the main, correct. This increased activity is prominent, not only in one part of British Columbia, but throughout the entire province.

I am not prepared to say just what is the reason for this period of prosperity, nor do I intend either to give credit to, or to criticize anyone in particular. I say simply that this condition now exists in British Columbia, and if the present government wishes to take any degree of credit in the circumstances I for one have no hesitation in according it. We are taking the conditions to-day as we find them in the province, and after listening to some of the remarks made by the hon. member for New Westminster last evening the House might be inclined to believe that the state of things in British Columbia was just the same as has been described by practically every hon. member to my right. That being the case, I desire in my own small way to give as briefly as possible the situation as I see it. The hon. member for New Westminster, in dealing with the questions affecting the province of British Columbia, referred to the Minister of Public Works (Mr. King, Kootenay) observing that he, like the Minister of Labour (Mr. Murdock), had tried to make conditions in that province appear rosy. I quote from the remarks of the hon. gentleman:

> The Minister of Public Works told us that things were very prosperous, that conditions were good in British Columbia; and he referred particularly to the timber industry, to the fisheries, to the mines. . . .

Further on he said:

> That is all right. I quite agree with the Minister of Public Works that things in British Columbia are, in some respects, getting better. But what has the government got to do with it?

Well, as I have already said, I am not here to defend the government; but I am here to give if possible as true an account of conditions in the province and in that connection to offer probably a word of criticism. The hon. member went on to say:

> The government is not assisting the mining industry; it is not even building a smelter on the Pacific coast which is so badly required; in fact the government is not doing anything at all to assist the mining industry. I say that any prosperity that may have come to the mining industry is not due to anything this government has done.

I am not so much concerned about these statements, nor do I wish to criticize too harshly what the hon. member has seen fit to

say. But as I have the privilege and honour of representing a mining district I think I am in a position to represent mining conditions fairly accurately. So far as I know, my hon. friend, living as he does in the city of New Westminster, has not very many mines in his district; nor are there very many mines within the radius of New Westminster. The district of West Kootenay, on the other hand, is practically a mining centre and its greatest asset is the mining industry. I can therefore say something on the subject, and in my opinion there are many conditions that have gone to place the industry on a better basis. There are many factors to account for the renewed activity in mining; and this being our greatest asset, there is no question in the world but that labour, the farmer, the producer and the consumer alike, must all be interested in what brings about prosperity to the mining industry in that province. And what brings about prosperity in mining in British Columbia brings about prosperity in other parts of the Dominion.

Some criticism has been offered of the action taken by this parliament last year in endorsing the move of the present government in sending representatives over to the exhibition at Wembley. I for one at the time expressed myself as being heartily in accord with the policy. Since then I have been favoured with many interviews with people who have come in contact with the representatives not only from this parliament but as well from our provincial governments, and I gather that our representation at the exhibition has been one means of bringing about a renewed activity in our mining districts. Personally I have always believed that in this country it is well for us not to be at all backward in telling others of our resources, and we should not fail to recognize that in our mining district we have a great asset. The visit of our representatives to Wembley has been responsible for thousands of pounds of foreign capital being invested, in my own district for example. As a result of the information which our representatives were able to give over in England regarding our mining resources, we have been favoured since last summer with visits from people in Great Britain, particularly from England, with authority to invest thousands of pounds of English capital in the district. This has happened within the last year and it has restored confidence among the people; it has opened up our mining resources. And in my opinion it has done much more than this: it has served, if only to a modest degree, to unite the Dominion of Canada closer with Great Britain by interesting the Mother Country in our resources and in this way securing British capital to develop our mining industry. In that way, it seems to me, our representation at Wembley accomplished some good. The capital that has come into the district has been the means of opening up many mines that are of great value; it has opened up resources that were lying idle. Speaking of mining, I believe that in this district we have one of the largest mines in North America; as a matter of fact we have the largest smelter on the North American continent. To corroborate my statement that there has been increased business, with an accompanying wave of optimism, I would refer to a mining and smelting company in the district which is well recognized as the Consolidated Mining & Smelting Company. Only within the last two or three days the company published their annual report; and whether or not this government takes credit for the condition of affairs there, the fact remains that while the present administration has been in power certain legislation has been enacted in regard to mining, and this company is in a very sound financial position, doing a real service to the district.

Mr. McQUARRIE: To what legislation does the hon. gentleman refer?

Mr. HUMPHREY: It will be seen that the hon. member does not live in a mining district or he would not ask that question. He should know that some two years ago this parliament passed legislation providing for a copper bounty, and that is at least one factor that enters into the present situation.

Mr. McQUARRIE: Is that not just continuing the bounty?

Mr. HUMPHREY: No. That goes again to show that the hon. member is not well versed in the mining situation. The government up to 1921 had a very expensive tariff commission travelling the country, and a promise of a bounty on copper was made this company, but it did not materialize until this government came into office, it being granted in 1922. I do not wish in any way to criticize, but I want to place the facts before the House. If there is credit due to anyone may it be given him, and if opposition is to be expressed I am the first to express it, but I was going to state—

Mr. MEIGHEN: Has the hon. member any information as to when the lead and zinc bounties were given, and the results?

Mr. HUMPHREY: Mr. Speaker, at the moment I have not any particular information. I am quite well aware that these bounties were

granted by the previous government, and I am also well aware that they are not in existence to-day, that as soon as the present company and others were in a position to get along without the bounties they automatically ceased.

Mr. MEIGHEN: Will the hon. member not tell some of the results that came from those bounties, though?

Mr. HUMPHREY: I have not the facts at hand to go into all the results. I do not know whether there are any particular results that can be shown to-day. At the time the lead and zinc bounties were in effect I am quite willing to admit that there were good results obtained.

Mr. MEIGHEN: There are yet.

Mr. HUMPHREY: To some extent that has passed. There are no lead and zinc bounties in existence in the province to-day. I am quite willing to concede that they were the means of establishing the lead and zinc industry upon a substantial and sound footing. For example, in 1924 this particular institution sold lead and zinc products to the value of nearly $15,000,000. But the point I would emphasize particularly is that conditions in the mining industry are getting better each year. If this improvement has been brought about in any way by legislation, I am quite willing to concede the fact. May I quote from the annual report of the company published some few days ago? This extract is interesting:

> After taking care of current development, depreciation of plant, depletion of property, and paying interest on bank loans, the net profits were $4,341,014.30, as compared with $2,401,346.71 in 1923, $1,467,528 in 1922, and $570,043 in 1921.

I need scarcely assure the House that this comparison makes it abundantly clear that the industry is not going out of business. I am confident that the mining industry as a whole is improving, and this perhaps contradicts some of the statements of our hon. friends to the right that our industries are going out of business. At any rate the mining industry is not going out of business in British Columbia, and practically every business is improving to some extent.

Mr. McQUARRIE: Does the hon. member refer to the poultry industry?

Mr. HUMPHREY: I am not so much concerned about the poultry industry going out of business. I am aware that certain representations have been made to the government and to hon. members respecting this industry, based on pretty much the same grounds as representations regarding the development of Vancouver. I do not know that I am in a position to go so far with the poultry industry as with some of the other industries. Practically every question interjected in the course of this debate hinges upon protection or free trade; when a question comes from our friends to the right it is based on protection, and therefore I am not so much concerned as I have not considered protection to be a paramount issue of the day.

Following up my remarks regarding conditions in British Columbia, while I hesitate to go beyond my own constituency,—for I feel that the representatives of other ridings in my province are more competent to speak for conditions in their districts,—yet I crave the indulgence of any of my hon. friends in referring to one particular question, I mean the reimbursement of the Home Bank depositors. The city of Fernie suffered severely, the losses of Home Bank depositors exceeding $800,000. Notwithstanding the protracted strike among the miners, and in the face of this heavy loss, the town and district of Fernie, I am informed, is now entering upon a period of better conditions. So far as my information goes the mining industry was never in better shape than it is to-day. But I am given to understand that practically every citizen was directly affected by the Home Bank failure. As I say, there are other members who are perhaps better posted on local conditions, but living in a district adjoining Fernie, and having many close associations with the locality, I feel that I would be shirking my duty if I did not press upon the government the urgent need of legislation to reimburse these depositors. Legislation to this end would help to restore confidence, which is so important not only to the people in the Fernie district but also to those in other districts.

Further substantiating my remarks regarding conditions in my province, particularly in my own district, I may say that 1924 proved the best year for the small-fruit growers that they have enjoyed for a long time. Better returns were obtained from the sale of their fruit, and as the fruit grower is in an improved financial position he has a feeling of renewed confidence which cannot but be helpful. The inquiry into combines with respect to the marketing of fruit, which took place last year, has had a good effect, and we can only hope that the government will follow up the investigation, benefiting, as it does, the fruit growers of British Columbia. The investigation disclosed startling conditions, and I trust the government will enforce any legis-

lation that is necessary in this connection even though the provinces do not consider it wise to take the initiative.

I would be failing in my duty to my constituents did I not also continue to press the government to take some action in the way of legislation respecting Asiatic immigration. I will go so far as to say that the conditions in British Columbia to-day, more particularly in my own district are better than they were four or five years ago; I have received many favourable comments regarding the legislation that was enacted by this parliament imposing restrictions upon Chinese immigration. But I would strongly urge the government to go further, to keep up the good work they have started, by tightening the regulations and by introducing further legislation with respect to Japanese immigration. If the policy already adopted can be continued with respect to the Japanese I am sure it will meet with the grateful approval of the people of British Columbia.

I need not dwell at length upon the necessity of legislation respecting old age pensions, because I notice that the government have a resolution on the order paper looking to some action in this regard. So far as I can see now, their proposals in this respect will receive my whole-hearted support.

I would like to touch for a moment upon one or two questions affecting our returned men; and as these matters also are to some extent covered by legislation of which notice appears on the order paper, it will not be necessary for me to discuss them in detail. But I would like to refer to one of the reports brought down by the special parliamentary committee appointed last year to look into these questions. I have always maintained that the conditions affecting the returned men in Canada were not as they should be, notwithstanding the legislation that has been passed in that connection. A good deal of expense could be eliminated by a reorganization of the different pension boards and medical staffs. I am aware that the report submitted to the House last year was not concurred in; nevertheless I would like to emphasize the fact that that recommendation was adopted by the special committee and reported to the House, and the government are bound at least to take some notice of it. I would like the privilege of putting on Hansard the fifth report of this committee, which was submitted to the House on Tuesday, July 15, 1924. It reads as follows:

> In view of the widespread dissatisfaction amongst returned men and others, and the representations made in regard to the attitude shown by the present Board of Pension Commissioners for Canada, your committee has taken evidence and having considered the matter very carefully, has come to the following conclusions:
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> That the interests of the returned men will be better safeguarded, and the intent of parliament will be better carried into effect by a more sympathetic interpretation of the Pension Act, and its schedules, and that this can be best carried out by the reorganization of the Board of Pension Commissioners for Canada and the medical services attached thereto.
>
> Your committee therefore recommends to parliament that the government be asked to take the necessary steps to carry this resolution into effect.

That report embodied the sentiments of the returned men generally, and if the government can find it possible to act upon it I am confident that a good deal of expense will be eliminated and much of the dissatisfaction that now prevails throughout the country among the returned men will be overcome. I have had my attention drawn to a resolution adopted by the Nelson branch of the Great War Veterans' Association, and I notice also that this resolution was included in the memorandum presented to the government this year by the Dominion Veterans' Alliance. It reads as follows:

> Whereas November 11th does and always should remain in the memories and hearts of Canadians as the anniversary of a day of rejoicing and supreme thankfulness; and as it is fitting and right that this date be perpetuated for all time to keep alive in the minds of our people the supreme sacrifice made by 60,000 of our comrades who died for their country, it is resolved;
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> That the Nelson branch of the Great War Veterans' Association go on record as strongly opposed to the anniversary of armistice being observed on any other date than the eleventh of November, which date should be declared a legal holiday by legislation.
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> Action should therefore be taken to have the existing act of 1921 to read:
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> "The eleventh day of November, being a day in 1918 in which the Great War was triumphantly concluded by an armistice, shall be a legal holiday and shall be kept and observed as such under the name of Armistice Day."

This resolution is backed up by practically every social organization in my city, and it is the demand of the representatives of the Dominion Veterans' Alliance. It is not necessary for me to go into the matter in detail; I think it is obvious that the government should take some action to recognize the 11th of November as a legal holiday. The practice of combining Armistice Day with Thanksgiving Day, as was done last year, should not, it seems to me, be continued; there is no doubt that when it comes to determining the holiday the preference should be given to the 11th of November. I trust that the government will recognize the value and importance of the resolution.

One of the most important questions that demand our interest to-day, I think, is transportation. It is a question that has been before the public for the past few years, and

no doubt will be more prominently before us during the coming year. There have been many complaints and criticisms during the past few years of the high freight rates, and the argument has been used that freight rates, were high because of the high wages paid to the railway employees. Having been identified in many ways with railway operation and railway construction not only in this country but in the United States, and having had the privilege of studying railway conditions not only in Great Britain but on the continent for the last twenty years, I feel that I can speak with some authority on this question more particularly from the point of view of the railway employee. I believe that an organized propaganda has been carried on to confuse the public mind over this question of high freight rates, and to make it appear that they were due to the wages paid to railway employees. An organized propaganda has been carried on with a view to creating that impression, and I should like to go into that phase of the question for just a moment in view of my position with regard to labour, and because of the fact that I am directly in touch with labour, the railway employees, and the railway question. My only object is to have the true facts placed before this House and before those who have an interest in this question. Many have approached me, with whom I have had discussions of this question, stating that they have been misled into believing that the high freight rates were the direct result of the high wages paid the railway employees. Labour is interested in railway rates only in so far as those rates will conduce to the prosperity of the railway and the prosperity of the country, and they are only asking, and so far as I know have only endeavoured to obtain, recognition of that to which they were justly entitled. I hope and trust that parliament will not in any way endeavour to bring in the wage question when it comes to consider the adjustment of our freight rates. I believe the officers of our different railway companies are quite capable of adjusting the wages of the employees over whom they have control, and in that connection I should like to quote a paragraph from a speech delivered by Sir Henry Thornton:

> Trade unions are here. They cannot be gotten rid of, and it is very much better to work with them than to fight with them. I have had considerable experience with labouring men on both sides of the Atlantic, perhaps more especially in England, and I have never yet had a trade union leader or a trade union play any other way than is fair.

[Mr. Humphrey.]

Further on he says:

> I see no reason why there should be constantly recurring contentions between capital and labour. I believe that labour properly handled will invariably respond.

I believe that is practically the position that labour would take also. It is a well known fact that conditions respecting labour in this country are as good to-day as in any other country of the world, but on account of the misrepresentation, as I would call it, that has been going on, perhaps by members of this House, not directly but indirectly, in reference to wages being the cause of certain conditions, I should like to refer to that matter a little further.

In the month of September last year an application was made to the Railway Commission for a reduction of freight rates. I understand that the hearing has not yet taken place.

4 p.m.

The application was made on the 11th of September, 1924, and in arguing for a reduction in freight rates, the applicants urged that the wages of the employees should be reduced. I believe the company that made the application is a member of the Manufacturers' Association, and I would infer that this was an organized attempt to create in the public mind the impression that the wages of the railway employees were too high. The application was made by the Tudhope Anderson Company, Limited, of Winnipeg, which has a factory in the town of Orillia, Ontario. They applied to the Board of Railway Commissioners:

> —for an order declaring that all existing tariffs of freight rates established and promulgated by the Canadian Pacific Railway Company and by the Canadian National Railway Company and the entire rate structure embodied in and upon which the said tariffs have been promulgated and established are unfair, discriminatory, excessive, and contrary to the provisions of the Railway Act, and that the said rates as established and promulgated constitute an unjust, unfair and unreasonable exaction upon all shippers and consumers of goods throughout Canada, and unfairly exact from shippers and consumers of goods throughout Canada large sums of money which from the point of view of sound public policy and of fair dealing between shippers and consumers of goods throughout Canada on the one hand, and the said railway companies and their employees on the other, should be prohibited and brought to an end.

They further state:

> That the respect in which the said tariffs and the freight rate structure embodied therein and the exactions made under and by virtue thereof are unreasonable, unfair, discriminatory and excessive is by reason of the fact that the said rates contain as a large element an allowance for the wages of the employees of the said railway companies, out of which allowance for wages the said railway companies pay to employees engaged by them in the carriage of goods

and ancillary services, unreasonably high, unfair, extravagant and discriminatory wages, by reason of which the said railway employees are able to maintain and do maintain a high standard of living at the expense of shippers of goods and in particular of producers of cereals, live stock and agricultural and dairy products of all kinds, whose prices for their products are materially reduced by reason of the high freight charges exacted by the said tariffs for the carriage of their products, and the said producers are as a class suffering great hardships and unable to maintain a reasonable standard of living by reason in great measure of the aforesaid unreasonable tariffs.

And Tudhope Anderson Company Limited further state that the said wages paid to the said railway employees are unreasonably high, unfair, extravagant and discriminatory in comparison with the wages of other industrial workers throughout Canada and that by reason of the tolls exacted by the said tariffs the wages of other industrial workers are forced down and lowered and their standard of living is lower than is fair and reasonable.

And Tudhope Anderson Company Limited further state that the said railway employees are receiving grossly high and excessive rates of wages which enable them to live in a state of luxury which is wholly unjustified having regard to the nature of the services rendered by the said employees when such services are compared with the services rendered by other classes of employees throughout Canada who receive wages very much less in amount.

And Tudhope Anderson Company Limited further state that the wages of the said railway employees were advanced during the period of the war and shortly thereafter at a time when the prices of commodities and wages were generally inflated and notwithstanding a general reduction in the rates of wages and prices of commodities, the wages of the employees of the said railway companies are still maintained by the said companies at unfairly high levels and the said railway employees are in fact enjoying real wages much greater in amount than they at any former time have enjoyed, while the real wages received by other workers and the real prices received by producers of commodities are materially lower than the wages and prices which existed at the time the wages of the said railway workers were advanced as aforesaid, which advance is commonly known as the McAdoo Award.

And Tudhope Anderson Company Limited represent that the public interest and the interest of all classes in the community, excepting railway workers, demand and require that freight rates should be reduced by cutting down and lowering the element in the said rates which represents wages paid to the said railway workers, and the said railway companies should be directed and ordered to submit tariffs in which the labour element shall be reduced to bring back the wages of the said railway employees to a parity with the wages of other industrial employees and into fair relationship with the prevailing prices of the commodities carried by the said railway companies.

And Tudhope Anderson Company Limited further state that if it should be represented or made to appear that the unfair rates of wages paid by the said railway companies as aforesaid cannot be reduced by the said companies by reason of the fact that the said railway workers have great bargaining, economic and political power, and by reason of the fact that their refusal to accept lower wages might be enforced by a general interruption of railway traffic throughout Canada, then the said companies should be directed and informed that such portion of the said wages as is found to be excessive and unjust must be borne by them by way of decrease of profits or increase of deficits as the case may be to the end that the proprietors of the roads shall bear the burden of such excess and that they shall not be permitted to impose such excess on the shippers of goods.

I apologize for going to the extent of reading this document, but I want to emphasize the fact that there is a prevailing opinion throughout the country, caused by misrepresentation, that these wages are responsible for the high freights, and therefore I wish to reply in a small measure to these proposals, not in any way substantiating the position of the railway companies, but endeavouring to place the true facts before this House and the public, having in mind the matters that are going to come up within the next year, and if possible to overcome a very strong sentiment and public opinion which is caused by such representations as these people have made. It has always been the practice to blame everything on the railways and the employees when it comes to freight rates, and as that idea is now being used by politicians to serve certain purposes, and more especially by manufacturers as a smoke screen, I am sure that I might have the privilege of replying to some extent to these representations. Perhaps as a representative of labour in some degree, being a labour man myself, I should in a way deal only with the wage end of the question, but I believe that if we are going to enter into the wage question we should also have before us every phase of the railway situation, and find out at first if possible whether the railway employees are obtaining too high wages for their labour, and also ascertain whether the railway companies of Canada are economically and efficiently managed, and from that angle I wish to speak for a moment.

In connection with the question as to whether our railways are efficiently managed, we must confine our comparisons to the United States railways, as the conditions in that country are similar to the conditions on our own roads. But when we take into consideration the fact that Canada has but 221 people to each mile of railway, while the United States has 450, the comparison is hardly fair to the Canadian railways, because under such conditions there is no density of traffic to reduce the average cost of hauling a ton and one might consider that under such conditions we should be satisfied if we could have rates equal to the lowest where cost conditions and wages are about equal. In any event we must compare our roads with some other roads and taking the United States roads for a comparison, I believe the railways in Canada are as efficiently managed and as economically run as those in any country.

It has also been said in these representations by this company and the others interested that railway companies should reduce their expenditures every year and more especially reduce their overhead by reducing the wages of their employees, but by referring to the reports made by the presidents of the Canadian National Railways and the Canadian Pacific Railway Company, we can see that their operating expenses have decreased each year, although their net profits perhaps are not as great. Apart from this, our railways are efficiently managed. Let us compare with the United States roads the number of tons of freight handled per mile and per employee. We find the average number of tons handled by the Canadian Pacific Railway to be 267,836, and by the Canadian National, 195,808. The average for Canada is 231,872 and for the United States 220,000 per employee. So hon. members can see that Canadian roads handle 11,872 tons more a mile for each employee than United States roads do. Going further, an editorial in the Railway Age gives the following figures, and I might state that these figures have been used in other parliaments and for the same purpose, so far as I have been able to learn. I believe they are figures that can be substantiated. The Railway Age states that the average wage paid for 1923 by the Canadian National was $1,421, by the Canadian Pacific, $1,482, and by United States roads, $1,588. The Minister of Railways and Canals (Mr. Graham) in his report states that the average hourly rate of all employees, including the president down to the lowest employee, is 64 cents. If we take the average earnings of railway men in Canada, the United States, Italy, Germany and Switzerland, we find that Canada has the lowest labour cost per ton mile of any country in the world. The statistics are as follows:

Country	Average wage	No. of employees required to move 1 ton 1 mile	Labour cost per ton mile
			Cents
Canada	$648	5	3.24
United States	757	5	3.78
Germany	409	23	9.40
Italy	377	24	9.04
Switzerland	365	31	11.31

I would take it from these figures that the cost in regard to handling freight per ton mile is less in this country than in any other country in the world, if you take into consideration the average wages, the labour cost per ton mile and the number of employees.

As regards the effect of wages of railway employees on freight rates, hon. members will remember that during the war the cost of living increased very rapidly and that wages were increased in an effort to keep up with the increased cost of living. It is significant that living costs increased first, and this is absolute proof that increased wages were not the cause of the increase in the cost of living. Railway wages never overtook the cost of living. The peak was reached in 1920, since when the 200,000 railway employees in Canada have had their wages cut and conditions changed so as to reduce their earnings by approximately $45,000,000 annually. The wages of employees were not increased from 1913 to 1918. Nevertheless the cost of living increased each year, and in 1920-21 there was a cut of something like 15 per cent in the wages of railway employees, amounting yearly to the sum of $45,000,000. This, I think, is the largest voluntary contribution by any class of workers.

I should like to make a further quotation regarding increases that have taken place since 1913 in wages paid in other occupations, as it was stated in the representations made by the Tudhope, Anderson Company that wages paid railway employees were far in excess of those paid to other industrial workers and had increased more. These figures were taken from the Canadian Annual Review for 1923, and using the index number of 100, the year 1913 and the year 1923, the wage increases are as follows:

Occupation	Index 1913	Index 1923
Building trades	100	166.4
Metal trades	100	174.0
Printing trades	100	188.9
Coal mining	100	197.8
Common factory labour	100	181.7
Miscellaneous factory labour	100	196.1
Lumbering	100	170.4
Electric railways	100	186.2
Steam railways	100	157.4
Cost of living, wholesale prices	100	153.0

This shows that wages of railway employees increased only 57.4 per cent, which is the smallest increase for any of those industrial workers from 1913 to 1923, and the cost of living increased about 53 per cent.

Going further in regard to representations made by these different corporations that railway wages are the cause of high freight rates, we find that the different manufacturing industries that are clamouring for a reduction in freight rates and claiming that railway wages are the cause of high freight rates have certain startling figures to produce in regard to the administration of their own businesses. I should like to refer to remarks made by the hon. member for Neepawa (Mr. Milne) in speaking to the budget a year ago. I believe he quoted certain figures showing the cost of making binders in 1913 and 1923, and the

figures that he used were taken from figures submitted by a manufacturer to the special committee appointed to inquire into agricultural conditions. Although the figures are given in regard to binders only, no doubt they can be applied to agricultural implements as a whole. The figures are as follows:

	1913	1922	Increase per cent
Materials	$ 45 55	$ 86 21	89
Wages	25 10	56 77	126
Factory expenses	5 51	26 55	382
Administration	5 10	38 66	658
Freights	23 91	34 69	45
Distribution	29 41	63 15	114
Branch department	29 41	47 31	60
	$163 99	$353 33	116

So that, taking the total in these nine years, the increase on binders would be 116 per cent while freight costs have increased 45 per cent and implement manufacturers' employees' wages 126 per cent. It would therefore be interesting to the people of Canada to have the manufacturers explain how they have come to have an increase of 658 per cent in administration costs. This I think is a fair example which might be applied to a good many other industries; and it shows in my opinion that the cry of high freight rates being caused by high wages is nothing but a smoke screen for them to hide behind in the conduct of their own affairs. It seems to me that the conditions governing the administration and the operation of the railways here are such as cannot be compared with the conditions that obtain on many of the roads of the United States. I would point that out before going further. We have extreme weather here and the conditions in that regard are not experienced across the line; this applies particularly to the use of equipment for the seasonal carrying of grain and other perishable products. The railway reports show that something like $4,000,000 is the expense incurred in snow service on the roads in Canada. These facts are all taken into consideration in the adjustment of wages and I believe that the entire figures will show that the wages paid railway employees on this side are lower than those that are paid in the United States, the roads being equally well operated and managed.

I come now to the last reason for discussing the budget; I must state my position on the motion now before the House, that Mr. Speaker leave the chair, as well as on the amendment that has been introduced by the hon. member for West York (Sir Henry Drayton). That amendment will of course first be voted on; and having declared my views on the questions affecting my own district, and not unmindful of the associations I have held in parliament, but remembering the duty I owe my constituents as well as the country at large, I believe there is only one course open to me. It is my intention to support the budget at this particular time and in doing so I feel that I am carrying out my duty to my constituency and to the country. I do not want to have it inferred, that I am in any way governed by political influences. But I believe that it is in the best interests of the country that the budget should be supported, although I know that some of my friends with whom I associate at the present time do not agree with this view. It must be remembered, however, that conditions in the province from which I come are extremely different from those in other parts of the country; it has been recognized as a concession to myself and other members from British Columbia that we have certain conditions there that do not exist anywhere else. For this and other reasons that I have stated, I shall have no hesitation therefore in giving what support I can to the budget.

Mr. J. H. HARRIS (East York): Confidence, lack of confidence, and restoration of confidence was the keynote of the first portion of the remarks that fell from the lips of my hon. friend from West Kootenay (Mr. Humphrey). My associations in this corner of the House lead me to say there is no one here in the Conservative party who will in any way take second place to my hon. friend so far as having confidence in the country is concerned. But surely the hon. gentleman is not going to confound confidence in the country with confidence in this government. Is this government the country? Is it fair to say that this government to-day is a fair reflection of the country? Has it a mandate from the country to-day?

We all regret the absence of the Minister of Finance (Mr. Fielding); we all regret that stability has disappeared from this government owing to the fact that the right hon. gentleman is not here. We think of the Fielding Liberals; where are they? And we are all wondering perhaps why the ex-Minister of Justice (Sir Lomer Gouin) is not in his place to-day. Where are the Gouin Liberals, and what do they think of this administration? Have the Protectionist Liberals a right to sit in this House behind this administration? And has the administration any mandate from the province of Quebec? I question very much whether it has! If it has a mandate from the province of Quebec I should like to see the ex-Minister of Justice (Sir Lomer Gouin) in his place; I should like to

see him give his endorsation to the policy which hon. gentlemen opposite have enunciated from time to time. No; the hon. member who has just sat down, in saying that anyone who undertakes to citicize this administration is a pessimist, is very far from the mark. In my opinion the hon. member who criticizes is a great optimist. He sees that this country is not going in the right direction and so, optimist that he is, he first offers some criticism to the government and then advances something constructive by way of telling them what they ought to do to bring Canada out of the condition that she is in at the present time. I would ask my hon. friend how he or any Canadian with any degree of intelligence could be other than confident in the country itself—not in this government—when he considers the great possibilities of this Dominion. Look at the Maritime provinces and think of the possibilities that are latent there; look at Quebec with her great resources; and consider for a moment the fact that we have in this country just four per cent of the world's population. And you all know the rest of the story. You all know that Quebec has the world's supply of asbestos; Ontario has the world's supply of nickel; and in the western provinces we have the great granary of the whole empire. The hon. member spoke also about the wonderful things there are in British Columbia. Well, to hear the views of some people, one would think that there was nothing there but a few Japs, a few Chinese and a few saw logs. But the hon. member has told us about the mining industry in that province. And then think of the Okanagan valley with the fruit it produces, and consider the province of Alberta from the mineral point of view with her fifteen per cent of the world's coal supply. Think of all these things and tell us where there is room for pessimism in Canada. There is absolutely none. I do not take second place to any man in this Dominion in my optimistic outlook on the future of Canada; and when I criticize this administration I do not bow to the dictum laid down by this hon. gentleman, nor yet to that laid down by the Acting Minister of Finance (Mr. Robb), that such criticism tends to embarrass the nation's credit. No, sir! I do not for a moment bow to any such opinion.

The balance sheet as brought down by the Acting Minister of Finance is not in my opinion a credit to him; it is not a credit to the great Liberal party; it would not be a credit to any business organization to tell its shareholders—in this case the people of Canada—that it gives an auditor's certificate in verification of the accounts when in fact that certificate is not in the true sense of the term a certificate at all; certainly it is not an auditor's certificate as understood by the man in the street. There is something radically wrong when the government has to put a blanket over its balance sheet in the form of a so-called auditor's certificate in order to restore to the minds of the people confidence in that balance sheet. In my opinion the results of the year's operations ought to flow from the balance sheet in a uniform way so that the average citizen can understand its contents; there should be no necessity for page after page of explanation as to how the balance is arrived at. It is almost an insult to the intelligence of Canadians when the Acting Minister of Finance (Mr. Robb) attempts to show in the second paragraph of his budget speech how the national debt has been reduced. Why should it be necessary to give such explanations? Are we not fifty or sixty years old as a nation? Do not the people know how the national accounts are made up and the balance arrived at? I repeat, there must be something radically wrong when the government resorts to these methods. I like to think of the Minister of Finance (Mr. Fielding) himself reviewing his balance sheet. His budget was an honest, frank expression of where we stood. He did not hesitate to say that there was $31,000,000 added to the national debt, he did not hesitate to put his railway deficit in the place where it belonged. To-day in order to cover up the fact that through trade depression throughout the country we are slipping in revenues, the Acting Minister of Finance finds it necessary to take $50,000,000 in 1923-24 and loaned to the National railways on bonds guaranteed by the government and put this loan in the category of Canadian National Railway finance. As a matter of fact where does it belong? We all know it should be included in the national debt. Then in the face of that to declare that the national debt has been reduced by $35,000,000 is not, in my opinion, an honest, frank statement by the government.

But let me return to the auditor's certificate which, the Acting Minister of Finance told us, has been printed on the balance sheet on page 3 of the Public Accounts for 1923-24. I have no doubt, Sir, that you and every other hon. member have read auditors' certificates from time to time. This certificate says:

> We have examined the balance sheet of the Dominion of Canada as at March 31, 1924, and we certify that the balance sheet conforms to the balance sheets of previous years in not including in the net debt of the Dominion issues of the Canadian

National Railway company and companies included in its system, which carry the guarantee of the Dominion of Canada. Such guaranteed issues are shown year by year as indirect liabilities.

Well, that is not such an auditor's certificate as we find in the annual report of the Canadian National railway system which we received last night. Is any opinion expressed in the auditor's certificate as to the correctness of the national balance sheet? None at all. But appended to the accounts of the National Railways we find a certificate of the sort which we are accustomed to look for at the end of any statement of accounts, and it is in this form:

We certify that, *in our opinion*, the above consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the system, as at the 31st December, 1924, and we further certify that, *in our opinion*, the attached income and profit and loss accounts for the year ended the 31st December, 1924, are correctly stated.

I have another form of auditor's certificate appended to the balance sheet of a large corporation, which I will give the House:

We have examined the statement and it agrees with the books of the company. After due consideration we have *formed an independent opinion* as to the position of the company. With *our independent opinion* so formed, and according to the best of our information and the explanations given to us, we certify that *in our opinion* the statement sets forth fairly and truly the state of the affairs of the company, after providing for contingencies, and that all transactions of the company that have come within our notice have been within the powers of the company.

That is what the people of Canada understand by an auditor's certificate. This so-called auditor's certificate which the Acting Minister of Finance found it necessary to quote in his budget speech is not an opinion as to whether the books are kept properly or not, it is not an opinion as to whether the railway loans should be included in the national debt or should be placed among the capital charges of the Canadian National Railway; it is just a mere statement that the balance sheet is a continuation of former practice. The point I am trying to bring out is that the average man in the street is not going to stop and ask you what kind of auditor's certificate this is. By an auditor's certificate he imagines the Acting Minister of Finance is referring to the sort of certificate which accompanies the balance sheet of any corporation. I can imagine some Liberal spellbinders out on the stump shouting to the people, "Yes, this, financial statement which the Tory press is criticizing we had a couple of chartered accountants go over, and they have put their certificate of approval upon it." In my opinion it is a very poor way indeed of getting over the difficulty the government finds itself in, due to the diminished revenues resulting from the trade depression which we are experiencing from one end of the country to the other. I repeat, it is a poor way to try to hide the fact that we are slipping more and more regarding the public debt.

Let me again say, and I shall continue to repeat it, I have the utmost confidence in Canada, and when I am criticizing the government it must be borne in mind that there is not much connection between the two, and after the bell rings next time there will be no connection at all. Cluttered up within Hansard of March 24 will be found all manner of excuses and explanations by the Acting Minister of Finance as to why such-and-so is done. Why is it necessary to insert this in the budget statement?

The railway company from earnings are not yet able to meet the arrears of interest accumulated on our loans to the company. This government, following the policy of its predecessors, continues to relieve the company from the payment of interest. To do otherwise would require the increasing of our annual provisions in the estimates, thus adding to our debt on the one hand, and, after receiving back from the company the amount so provided in our estimates, crediting it to interest on investments account on the other hand, thus reducing our debt by the very amount by which we increased it.

Why, Mr. Speaker, ever since we took over this railway system has not this been the practice? Why draw a red herring across the trail and say: "This $131,000,000 is a bad debt, but we are so generous to the Canadian National Railways that we want to treat it in this way, because if we received the interest back we would only have to reverse the ledger entry and put it on the other side?" Does any man of intelligence in the Dominion ever expect that that interest is going to be paid back? Are we not clamouring every day for reduced freight rates? My friends from the Maritime provinces, my friends from the prairie provinces, my friends from Ontario and Quebec, each and every one of us, are looking for the day when reduced freight rates will come. Reduced freight rates will be ahead of this proposition which is suggested by the Acting Minister of Finance in his budget speech. It is not fair to the Canadian people to draw a red herring across the trail in respect to the country's accounts. It is time we tried to give them a frank, clear statement to show them exactly where we are, exactly in what direction we are going, exactly what we are doing. If the revenues are slipping, tell them so. They do not mind having the truth; they do not mind a clear statement of the facts.

Canadians are optimists; they have faith in the country. But the cluttering up of the budget with excuses and explanations of this kind will in my opinion do more to shatter the confidence of the people in the national credit that the Acting Minister of Finance speaks about, than all the fair criticism that may be levelled at this government.

I wonder where we will finish up, Mr. Speaker, if we allow the practice followed in this budget speech to continue—the practice of endorsing the bonds of the Canadian National Railways? Fifty millions in 1923-24; forty-six millions in 1924-25—and that is not the end of the story. It is nearly time something definite was done to put the Canadian National on a footing similar to that on which the Canadian Pacific stands, so that we will know exactly where we are. We have the Swayn report of 1916 which gives the value of the Canadian Northern and the Grand Trunk Pacific, and we have the award which was made to the Grand Trunk. Why could these findings not be reviewed in connection with a proper determination of the value of the Canadian National railways? Then set that up as the capital of the company, absorb the rest in the national debt and give the people some idea of where we stand. To continue this practice is not fair either to the management of the Canadian National railways or to the people of Canada. If it was done on any equitable or reasonable basis there might be some sense to it. But read this statement which I ask to have placed on Hansard:

Statement of Loans to Railways for 1922-23, 1923-24 and 1924-25 made in Cash and Guaranteed Bond Issue under Authority of the Appropriation Acts

	1922-23	1923-24	1924-25	Total
Deficit—Operating deficit, interest due public, and rentals of leased lines..	$36,722,181	$20,356,198	$21,343,940	$78,422,319
Redemption of debt—including equipment trust principal payments and sinking funds..	25,275,902	11,469,369	7,007,533	43,752,804
Capital—Investment in road and equipment including acquisition of property..	18,214,940	41,630,933	33,765,527	93,611,400
	$80,213,023	$73,456,500	$62,117,000	$215,786,523
Discount on Government Guaranteed Bond Issues	.....	1,093,500	1,910,000	3,003,500
	$80,213,023	$74,550,000	$64,027,000	$218,790,023
These totals are made up as follows:				
Loans by way of cash charged to the net debt of the Dominion..	$80,213,023	$24,550,000	$18,027,000	$122,790,023
Loans by way of Government Guaranteed bond issues..	.....	50,000,000	46,000,000	96,000,000

Now let me read the footnote which appears in small type beneath this tabulation:

While the estimated loans by way of cash of $18,027,000 for 1924-25 are short of the estimated deficits for this year by $3,316,940, the statement shows that for the three years under review the government loans in cash have not only enabled the railway company to meet all deficits, including fixed charges due the public, but also left the substantial sum of $44,000,000 to be applied to capital requirements.

Three years of operation and yet there is nothing uniform in the method of treating these accounts. The Minister of Finance Mr. Fielding)—we regret he is unable to be here—found it necessary to write off certain capital charges and deficits, to a total of $80,213,023. But this government find it necessary to take a portion of the charges already written off capital and bring it back into the revenues, in an attempt to show the people a balance on the right side of the ledger. That is not giving a fair and frank statement to the people. It is not fair, it is not just; and the sooner we have a government in power that can be held to their responsibility to make a proper statement with regard to the handling of their accounts, the better it will be for Canada and all concerned.

Some very interesting deductions are drawn by the Acting Minister of Finance with regard to trade in this country. "A matter of justifiable pride," are the words the minister has been wont to use. He has a feeling of "justifiable pride," he says—

—when we realize that this year, as a result in part of our policy last year in reducing the burdens of taxation, we will receive from the people $52,837,000 less.

Then, in his summary he says it is a matter of justifiable pride—I do not know whether or not that is the exact term he uses—that our trade balance is so much in our favour. Every Canadian likes to see the trade balance in our favour; in a young country like this it is essential that that should be the case. But first let us analyse this trade balance for a

moment or two. I pointed out last year—page 200 of Hansard—that in respect to what was designated as class 4, wood products, we were exporting raw material to the extent of 64 per cent and finished and partly finished goods to the extent of only 36 per cent; while in class 6, non-ferrous metals, we were exporting 77½ per cent of raw material and 22½ per cent of finished and partly finished goods. That is all right, but unfortunately for Canada we were importing just the converse of that. In class 4, wood products, we were importing 27 per cent of raw material and 73 per cent of finished and partly finished goods, while in class 6, non-ferrous metals, we were importing 13 per cent of raw material and 87 per cent of finished and partly finished goods. Think of the production of our copper, lead and zinc mines in terms of our imports; 87 per cent are finished or partly finished goods—commodities which could be the product by our own industries.

I shall not refer in detail to the figures I gave last year in this connection; but let me touch on some of the figures which the Acting Minister of Finance has given the House with regard to our trade balance. We find the import side decreasing, and at first blush that looks good. We are all glad to see a reduction of the imports into the country. In fact, for the ten months ending January, 1925, there has been a decrease of $93,384,852 in imports, equivalent to 13 per cent. That looks very good for a Liberal government, and it seems to speak well for the results of the reduction of 2 per cent in the customs tariff. But let us analyse this importation; let us examine the imports for home consumption during the period of ten months ending January 31, 1925, in some of the classes which have to do with the raw materials used in a large number of our industries. For the purposes of the comparison I have taken iron and its products; the following indicates the value of the imports of iron and its products, raw material and partly manufactured goods, in the period of ten months referred to by the minister:

	Ten months ending January 31, 1924	Ten months ending January 31, 1925
Free goods.. ..	$ 19,371,013	$ 12,624,694
Dutiable goods.	126,299,548	95,368,389
Total..	$145,670,561	$107,993,083

It will be seen, therefore, that for the ten-month period ending January 31, 1925, there was a reduction of 25.87 per cent in the import of the raw material which very largely goes to supply our industries. If we found a large decrease in the imports of manufactured and partly manufactured products, it would be reasonable to say that industry in Canada was being stabilized and that our own manufacturers were supplying the home market. But the figures show that the imports of raw materials have been reduced in the case of iron 25.87 per cent. For the same ten-month period, textile products, dutiable—manufactured and partly manufactured goods—came into this country in 1924 to the extent of $90,180,970, and in 1925 to practically the same amount, $88,369,654, or a decrease of only 2 per cent, which decrease represented the decreased buying power of the Canadian people. Non-ferrous metals, free and dutiable, for the same ten-month period, came into this country in 1924 to the amount of $35,399,822, and in 1925, to the amount of $33,592,185, a decrease of about 5 per cent in the importation of manufactured and partly manufactured goods, which is again only an index of the decreased purchasing power of the Canadian people and not an index of the trade conditions in Canada,—in other words it does not indicate that trade conditions in Canada have been so good that we have manufactured that extra 6.88 per cent.

In like manner miscellaneous products, free, came into this country in 1924 to the amount of $19,213,347, and in 1925, $19,168,949, practically the same figure, and miscellaneous products, dutiable, imported in 1924 amounted to $22,224,984, and in 1925 to $20,799,641; making total importations of manufactured and partly manufactured miscellaneous products in 1924 of $41,438,331, and in 1925, $39,968,590, or a decrease of 3.53 per cent. In other words, we find a decrease in all kinds of importations close on to 13 per cent, and in the case of iron and iron ores, which are the raw material for a large number of our manufacturing institutions, a decreased importation of close to 26 per cent. The point I bring out here is this: Instead of this decreased importation indicating that our own manufacturing institutions are supplying our demands, we find that in practically every case the decrease in importations is in raw material, and not of manufactured and partly manufactured goods. In any case where there is a decrease in the importation of manufactured and partly manufactured goods it simply emphasizes the fact of the decreased purchasing power of the Canadian people, and the decrease I gave you in the importation of raw material, amounting to 25.87 per cent in the case of iron and its products, gives you some idea, Mr. Speaker, of the stagnation of business, the slackness of trade and dulness of industry which

our plants and industries dependent upon this raw material as their basis are going through at the present time.

Just to emphasize that and to show that I know what I am talking about, I will go to the trouble of putting on record figures showing our importations of iron and its products, which emphasize more and more the point I am trying to make. In 1924 we imported iron and its products, raw iron, pigs, ingots, blooms, scrap, castings, forgings, rolling mills products, tubes, pipes and wire, to the amount of $61,161,820. For the same period in 1925 we imported these products to the amount of only $39,276,023, a decrease in our importation of these basic raw materials for our manufacturing industries of 35.8 per cent. That is an index of the stagnation and slackness of trade and dulness of industry that we find in our manufacturing institutions which depend upon these raw materials for manufacturing into their finished goods.

5 p.m.

All through this debate, Mr. Speaker, I have been amazed at some of the suggestions which have come from the Liberal party with regard to the conditions we find in Canada. But we had something which took the cake, if you will excuse the expression, from the Minister of Labour (Mr. Murdock) last night. He spoke of ream after ream of Tory propaganda. I was just thinking to-day of the ream after ream the Minister of Labour put on Hansard, but whether it will be interesting reading I doubt very much. I want to say a few words with regard to this remarkable result and to the "justifiable pride" which the Acting Minister of Finance finds in the statistics he gave. I think when the people of Canada grasp the true significance of these statistics and learn the actual state of the revenues and expenditures of Canada, instead of having a justifiable pride in the handling of the affairs of this country by this administration they will receive a shock, from which the people will recover, because they have unbounded confidence in the resources of this country, but from which the government themselves, when they appeal to the electorate of Canada, will not recover. The government say—I saw a headline in one of my own Toronto papers the other day that the government have reduced taxation by $52,837,000. Rather interesting, but I will tell you where this reduction came from.

Mr. BENOIT. Louder.

Mr. HARRIS: I was just thinking that when the Prime Minister gets here—I am sorry he is not here now—the whip will crack loud enough and hon. gentlemen opposite will all line up when the vote is taken. It will be loud enough for my hon. friend then. Let me preface what I am going to say about the revenues and expenditures of the country with a remark that I find in the budget speech of last year:

> It was hoped, however, to offset any considerable reduction in the revenue by the most rigid economy in expenditures.

Yes, Mr. Speaker, they have offset it by a deficit of $46,737,000. The revenues shrank by $52,837,000, but the expenditures shrank by only $5,100,000. There you have the most rigid economy which was to offset any reduction in the revenue. What is the cause, Mr. Speaker, of this decrease in revenue of $52,837,000? The Globe newspaper seems to say that the people were saved this amount. Was this reduction due to a reduction in the receipt tax? Was it due to a reduction in the cheque tax? Was it due to a reduction in the income tax? Was it due to a reduction in the sales tax? Have we got penny postage in Canada yet? Is it due to a reduction in the cost of postage? No, Mr. Speaker, I will tell you where we lost a million dollars a week last year. Owing to dull trade and slack industry the clearing house returns shrank last year by $553,000,000 in eastern Canada. Dull trade and slack industry accounts for half a billion dollars less clearing house returns in eastern Canada last year as compared with the year before. That half billion dollars less clearing house returns is the one factor which stands as an index head and shoulders above any other in accounting for the shrinkage of one million dollars a week in the national revenue of Canada.

That, Mr. Speaker, is the predominating factor which is accountable for this situation, and until such time as it is righted, we will not be on the right path. The Acting Minister of Finance (Mr. Robb) intimated that some of the back benchers who are rather timid had better be kind of careful what we are saying about revenues and expenditures of the country, or we are going to embarrass the national credit. One statement in the budget speech to my mind will do more to shatter confidence in the affairs of Canada than all the propaganda from the Atlantic to the Pacific. That statement is found, Mr. Speaker, in the reference to the taking of what in my opinion is a frozen credit of four million and some odd dollars, and adding that unpaid interest to an asset, and then bringing that into the balance sheet; that is not so bad in itself, but to bring into our statement of

national affairs for this year the statement that the results of the past year from government services show a surplus is something which cannot be sustained. If the High Commissioner in London, England, is to be given credit for this rearrangement of four million dollars of an asset, let him have the credit, Mr. Speaker, but do not let the Acting Minister of Finance rise in his seat in this House and say that this is due to government services when we add this four million of unpaid interest to our supposed to be on paper surplus for the year which has just closed. No, Mr. Speaker. If Roumania owed $23,969,720 and Greece in like manner owed $8,000,000 in addition to that unpaid interest of $4,000,162, of course it must be brought in on the books of the country, but do not let the minister rise and take credit for having a surplus, and do not let the Liberal press of the country give the government credit for having a surplus of five million odd, when as a matter of fact it is not a true, frank, honest and clear statement as to where the finances of the country stand at the present time.

There is another subject, Mr. Speaker, which is dear to the heart and mind of everybody who takes an interest in public life, as to which a good deal will be said when the next election takes place, and that is the question of taxation. I was just thinking, reverting to olden times, back to the days before Christ, that we might possibly find in the Good Book, if we could not find it anywhere else, some lead as to what we ought to do in regard to taxation, and what proportion or what percentage taxation should bear to the production.

In the year 1922 Canada with a population of 8,788,483 paid in taxes about $561,460,037. This staggering sum was made up as follows:

Municipal taxes	$178,664,291
Provincial taxes	47,342,405
Dominion taxes	335,453,341
Total	$561,460,037

This enormous sum representing the cost of our present civilization and maintenance of law and order was equivalent to nineteen per cent of the total net production of our Canadian industry, including mining, fishing and agriculture. It was almost half the net agricultural production and exceeded the combined gross production of Canadian forests and mines. It was fifty per cent of the manufacturing production of that year, and I was going to say that consciously or unconsciously, directly or indirectly, every family in Canada is paying a share of this amount because it enters into the cost of living.

I think the sooner we get back to the old system of taxation, ten per cent of production, and get our governmental institutions back to the ten per cent laid down by the tribe of Levi under the Levitican law the better it will be for the people all round. Time and again civilization has been censured for tithing the people over 10 per cent, but I wonder what sort of a censure we are going to receive if we continue to tithe the people, as we did in that year, by taking nineteen per cent of the value of production of the country to maintain law and order and our present civilization. We all realize and recognize that there are factors which must be grappled with. The interest on our debt, for instance, and the question of pensions are matters which we are in honour bound to pay, and which we do not object to paying, and these will be with us for some time.

I should like to put on record how the interest on the public debt has increased in the last two decades. In 1903 it amounted to $11,068,139. In 1903 our pensions were $87,925. Ten years later in 1913, the interest on the debt was $12,605,882, and the pensions were $283,188. In 1923, interest on the debt amounted to $137,892,735, and pensions were $32,985,998.

These moneys must be paid and we must find revenue to pay them. We are in honour bound to find revenue to pay these debts in conjunction with our other liabilities. But when the present government find it necessary to enunciate a policy, which some of their supporters had in mind and which some did not have in mind, of reducing the tariff of this country, which has been reduced by some two per cent of the value of the goods imported, I call their attention to the fact that our importations run in the neighbourhood of $800,000,000, and that every one per cent means a loss in the revenue of $8,000,000, as well as stagnation, uncertainty and a tendency for business interests to become unstable. If the present government had had the good sense to hold on to the position achieved in 1921, the coffers of this country would have been in receipt of $15,687,705 more than they have on hand to-day.

When the government made that reduction they made a move in the wrong direction, and not a move which would tend to allow us to meet the interest on our debt and to pay the obligations which we are in duty bound to pay. But the loss of $15,687,000 as a result of this reduction of about two per cent since the Liberal party came into power is not the matter of most importance.

I was just thinking about the wrecking of industries which followed in the trail of that reduction. That thought ran through my mind when the hon. member for Kent, New Brunswick (Mr. Doucet) rose the other day and told us that the ten per cent reduction in the duty on nitrates, phosphate and potash had not only curtailed the manufacture of these products in Canada and put out of business firms who were manufacturing the products but that it had resulted in an increase in the price, and he gave some figures to show it. I will give some figures to the House to make my record complete in this connection. The average wholesale prices of nitrates, phosphates and potash were as follows:

March 17, 1924:

4-8-4, $40.70; 2-8-10, $38.80; 2-10-2, $34; acid phosphate, 16 per cent, $19; sulph. of N.H. 3 (21 per cent), $68.

March 19, 1925:

$42.77, $2.07 increase—5 per cent; $41.46, $2.66 increase—6.8 per cent; $37.65, $3.65 increase—17 per cent; $25, $6 increase—31 per cent; $80, $12 increase—17.6 per cent.

These figures appear in a pamphlet issued by the Minister of Agriculture (Mr. Motherwell) over his signature, and they show an increase of $2.07 to $12 or an increase of five per cent to 31 per cent in the cost between March 1924 and March 1925, after the government had found it good business as they say to take the ten per cent off these goods coming into the country. The market price for nitrates and phosphates on the north American continent is made in Baltimore. The quotation for nitrates in Baltimore a year ago to-day was $3.50 per unit figured in the terms of ammonia and ten cents per unit figured in the terms of phosphate of lime. The cost to the Canadian farmer has increased by 5 per cent. The market in Baltimore to-day has receded to $3.25 per unit of ammonia found in the ton, and it has stayed at ten cents per unit of phosphate of lime in the same ton. I do not know whether hon. members get the point or not. This means that Canadian industry in this line has simply gone out of business. We are no longer manufacturing all of our consumption of nitrates and phosphates here. The manufacturers of those commodities have gone out of business, and those at headquarters south of the line, realizing this, have raised the price to the Canadian farmer to-day to where it is above what it was prior to this legislation being placed on the statute books of Canada.

If that were the end of the story, I would be satisfied. It is not the end of the story. I like to think of these matters not only in terms of nitrates and phosphates, dollars and cents, but also of human lives. What have these material elements to do with the matter when you put into the equation the livelihood of Canadian people Think of the human element which enters into this question! If you, Sir, could have been with me on January 15 of this year in the city of Hamilton, you would have seen a plant worth $100,000 of any man's money, established there for forty-two years, during three generations, two of which I know, manufacturing nitrates and phosphates. For forty-two years that business had carried on, and if business conditions were in any way stable, the machinery would be worth $100,000. In fact, it could not be replaced for $100,000. I saw a fool bid put on the proposition of $10,000. I see somebody smiling. If you will pardon me a personal reference, I put on the bid myself for the whole thing, lock, stock and barrel. Some days later they said to me: "If you raise the bid to $12,000, you can have the whole thing." Two years ago they used to employ fifty men and to produce from five to ten thousand tons of nitrates and phosphates. That industry had in its service one generation after another, not only of the owners, but of families of workers who found their livelihood there. That industry went out of business because they were not receiving a certain amount of protection. They did receive the 10 per cent until this government found it necessary to take it off. They went out of business because the Milson Works and the Crocker Works, in Buffalo poured into the Niagara peninsula, and the Michigan Carbon Works of Detroit, into Windsor, and western Ontario, ton after ton of nitrates and phosphates at a far lower price than they could be produced at in Canada. When they got the Canadian industry out of business, according to the statement by the Department of Agriculture here, and in spite of the fact that the basic price of these commodities in the big market of Baltimore, which is the controlling market, is lower, they raised the price to the Canadian farmer. I started off to say something about the human element, but in spite of ourselves we get into dollars and cents and nitrates and phosphates. When I heard the Minister of Labour (Mr. Murdock) yesterday reading something about the industries in Hamilton, about the good times that prevailed there, about the steel plant that was running and other plants, whose names I forget, I was thinking about something I read in the Hamilton Spectator and the Toronto Evening Telegram just about that time. I was thinking about a certain man who found

his livelihood within the acre and a half of those premises which I mentioned in Hamilton just now. A certain man had been out of employment since the fall of the year, and when he heard that that place was sold, that his livelihood was gone, he went home broken-hearted. I was thinking about the news item that was in the Toronto Evening Telegram the same week that I made that purchase, stating that this man was found dead in his home. The coroner held an inquest and this suicide lies at whose door? I leave the matter an open question.

That is not the end of the story with regard to humans, and I do not think I will take second place to the hon. member for Southeast Grey (Miss Macphail) in this recital. I am thinking of another case of an able-bodied man who had a wife and four children, who came to me on January 15 and said: "Are you going to dismantle this institution and take out all the machinery?" I said: "Yes, we might." He said: "I would like to get a job, to do something. I have run that press over there for four or five years, and I would like to continue to run it." I said: "I am sorry, I do not know what I can do. I am over staffed with men now." I returned to Ottawa. First, the press was taken out, loaded on a car and sent forty-five miles from the place where it was originally picked up. This man whom I made reference to and who was a citizen of Hamilton saw the bill of lading, found out to whom and where the goods were being shipped and followed that car forty-five miles. When the car was placed on the siding at its destination, he was there before the seals were taken off and he said, "Please let me unload the machinery I ran for the last five years." Finally, he got the job; he unloaded the machinery, and he is still hanging around the doors of that institution where that hydraulic press was unloaded, waiting for them to start operating it, and praying that he be given the job of operating it forty-five miles away from his family. That will give hon. members some idea of business conditions following in the wake of a reduction in the tariff of ten per cent on only one line of industry. In Toronto there is another plant manufacturing nitrates and phosphates which has ceased manufacturing and the home plant in Indiana to-day is pumping the same goods into the Niagara peninsula, the Toronto plant lying idle. The hon. member for South Huron (Mr. Black) knows of the distress another company in the town of Wingham finds itself due to the same fact. That company is practically insolvent to-day.

Coming home on the train, I discussed this question with a prominent Liberal, a member of the Ontario Club. He said: "You politicians are all wrong. What you want to do is to tear down the bars and to let the business men of Canada get in and secure a slice of the American business." That sentiment does not find a place in my heart, and to my mind it does not find a place in the heart of any true Canadian. If that sentiment was running in the breast of that Liberal, a member of the Ontario Club in the city of Toronto, it is no index of the sentiment that runs through the members of the Conservative party with which it has been my pleasure to associate myself. We do not want to tear down the bars and jump into the United States in order to get a slice of their business. We have an idea that Canada has a destiny, and if that destiny can be worked out, we shall continue to have faith in our country. I am sorry the Prime Minister (Mr. Mackenzie King) is not in his place, but the Minister of Labour (Mr. Murdock) is here.

Mr. MURDOCK: Go after him.

Mr. HARRIS: Well, I would hesitate about going after him. However, that hon. gentleman made some reference to a few remarks that fell, or that were supposed to have fallen, from the lips of the Hon. Senator Robertson as to the Prime Minister being at home in the United States before the Easter recess, and I was thinking that I had heard something myself about the same time. I was talking to a Liberal friend and I said, "Suppose we did throw down the bars and we all went in together, what would happen then?" He said in reply, "We have a bright man at the head of affairs in the Dominion to-day, and I do not see any reason why if the United States and Canada were one great republic on the North American continent our kewpie doll Premier Mackenzie King could not be president of the whole country."

Mr. MURDOCK: Does my hon. friend not know that the constitution of the United States will not allow a man to aspire to the presidency who was not born in that country?

Mr. HARRIS: That may be, but I know that if I found within the confines of the good old Conservative party any man who had ambitions along that line I would either see that he was ostracized from the party, or I would once for all dissociate myself from it.

A proposal has been placed before the House looking to the creation of a tariff

board. We have some Liberals in this day and generation, and I was thinking of them when I looked at this resolution which the House is to consider in due course, the object of which is to rectify all the wrongs that at present exist in relation to the tariff, and to restore on the part of our Canadian people who are interested in industry some measure of confidence in the future of the country. The hon. member for West Kootenay (Mr. Humphrey) spoke about restoring confidence in the country, but I really think that what he had in mind was restoring confidence in this government. The government proposes to bring down a resolution looking to the establishment of a tariff board, and it occurred to me that the old Liberal ship of state was sinking so fast that the crew have to grab a plank from the Tory platform and nail it over the hole to stop the vessel from going down altogether.

Mr. MURDOCK: Hard luck.

Mr. HARRIS: Before I get through you will find that it is hard luck. Now, we have heard of tariff boards before. In 1912 a resolution was introduced which afterwards was known as Bill No. 88, and it was brought forward by the Conservative party for the purpose of creating a tariff board. There were great Liberal statesmen in the House of Commons in those days, common ordinary men like ourselves, among whom we find such names as Mr. Marcil, Mr. Kyte, Mr. Murphy, Mr. Robb, Mr. Maclean, Mr. Macdonald, and Mr. Lapointe. These gentlemen have changed from statesmen to the Hon. Mr. So and So. Let me quote a few sentences from speeches made by some of them. At page 2622 of Hansard of February 1912 we find Mr. Maclean, then member for Halifax, reported as follows:

> I am opposed to his bill, because I believe it is a violation of constitutional practice in all British countries; because it directly or indirectly, and perhaps unconsciously, assumes to give a tariff commission powers of legislation.

I only wish I had a vocabulary like that; perhaps I might say something just as good.

> I object to it because it tends to weaken the doctrine of ministerial responsibility as it obtains in all British countries. I object to it because the duties which, under the bill, are assigned to a commission, refer to matters which in all British countries are dealt with directly by the responsible advisers of the crown. I object to the bill, because the purpose sought to be attained by it can be better attained by less expensive and less objectionable methods.

That is the tariff board they will all vote for in a few days.

> I object to it further because it seeks in a manner, in a veiled manner perhaps, to validate by a statute the doctrine of protection in this country.

[Mr. Harris.]

What a catastrophe!

> This is a justification of my argument that any assistance which the responsible minister of the day requires in tariff making, should come from the civil service when we can expect permanency in the appointment and from whom we can expect a longer and more valued experience in all matters in connection with the tariff of this country.

Then at page 2655 the ordinary, common Mr. Kyte of that day, now known as the official whip of the Liberal party, is reported in opposition to the bill; he found it necessary to oppose the proposition. I hesitate to say anything about Sir Wilfrid Laurier for I have a good deal of regard for that Liberal statesman. I have an idea that somewhere in this House over on the government benches there are men who, while perhaps on the hustings they were wont to shout "Vive Laurier!" will take an attitude on the resolution about to be introduced, altogether different from that which the late right hon. gentleman assumed. I wonder how these gentlemen are going to vote in this matter of the tariff board. I wonder if they will read what that man had to say in his time with regard to the proposal. Will they rise in their place and register their vote in favour of it? As I say, I reverence the name of that man, but I may be pardoned for reading a few words of his. At page 2874 of Hansard of 1912 he said:

> There is such a thing as an act and an ulterior motive to that act not to be found within the four corners of the act itself. My hon. friend did not put in his bill that the object which he had in view was to have, not the broad facts as they exist, but simply a commission to prepare for him, and for the government of which he is a member, in favour of the view upon political economy which my hon. friend and his colleagues entertain.

There is a good deal more but I will not put it all on the record; there are a few choice morsels that will serve the purpose better perhaps than the whole. Further he says:

> The more we proceed with this tariff board the more it becomes apparent that we are moving in a vicious circle. . . . To say that under such circumstances the commission should be simply under the jurisdiction of the minister is not in accordance with the conception of the feature of the commission which would give it its greatest usefulness, that is that it should be an independent commission. . . . Such a course is inconceivable. This is the same thing, this should be above all things a parliamentary commission, of course with power to the government to use it when they think it advisable to do so.

Further on Sir Wilfrid Laurier said:

> But no reason has yet been given why this second tribunal should be added to what we have already, or to show that it would be more in accordance with the public interest. Up to the present time we have had a law on the statute book declaring that under certain circumstances an investigation, if it took place, should take place before a judge. Has any reason

been given to show that the public interest would be better served or more justice done to the people at large if such an investigation took place before this commission? Although this is a new jurisdiction, I say it is not an improvement, but rather a deterioration.

I am sorry that the Minister of National Defence (Mr. Macdonald, Pictou) is not in his seat; I rather think he is the same ordinary Mr. Macdonald who expressed himself at that time on the subject. He is now Minister of National Defence. There is a whole page here which is not very complimentary to him if he rises in his place now and votes for the budget. I wish he were here, because I do not like to take advantage of an hon. member. The hon. member for Bonaventure (Mr. Marcil) is here; he voted, but he did not have very much to say. The hon. member for Welland (Mr. German) comes from a part of Ontario that I am very well acquainted with. I wonder how he will vote on this proposition for a tariff board. Will he vote for the budget, or will he vote against it? I do not think he will vote against it—he may vote for his judgeship! The Minister of Trade and Commerce (Mr. Low) intimates that that is a little harsh; if it is, I will withdraw it. The hon. member for Welland—page 3581—said:

I am not in favour of a tariff board.

Bang, right off the bat he so expressed himself—"I am not in favour of a tariff board." I wonder how he will vote. Will he vote for a tariff board? I wonder if he would like to have a pair for that occasion? He continued:

I do not think that the commission should be allowed to hear evidence under oath, or any private conversation, that is not reported to parliament. Let those gentlemen who want to make their private suggestions to the Finance Minister make them, and let the Minister of Finance keep that information secret, as has been done in the past without any statutory provision to compel it to be done. But that this parliament should authorize a commission of gentlemen to inquire into the trade conditions of the country and to take evidence and report on that evidence to the Minister of Finance without making that evidence public, I think it wrong in principle, and will be detrimental to the interest of the country.

I am afraid he will have some qualms of conscience when he rises in his seat. We find the same hon. gentleman saying further on:

The objection to my mind is just this, and the fear is just this—that this commission is to be appointed with a view to increasing the protective tariff.

He objects so much to the protective tariff. I do not think the Minister of Labour (Mr. Murdock) will have much objection to voting for that tariff board, because if I heard him aright yesterday he said that the government had some tariff for revenue principles in mind, so I suppose "tariff for revenue" might be stretched this time to cover something in line with what the hon. member for Welland is objecting to—a protective tariff. Then again at page 5385 the same hon. gentleman (Mr. German) says:

The ministers can shield themselves behind the report of the tariff board who, they can plead, have gone throughout the country and made a full investigation.

Well, that is rather a good idea. It might be a good plea for some of the predicaments that the administration find themselves in. Then again I find the following from the same hon. gentleman:

I am afraid this is what they will do; and there is a very strong feeling in the country that this is what they will do.

I should like to point out that a motion was put to give this matter the six months' hoist. We find in favour of the motion, or practically voting against a tariff board, 52 yeas, among them being Marcil, Kyte, Sir Wilfrid Laurier, Lovell, Murphy, Power, Robb, Pardee, Maclean, Macdonald, Lapointe, Clark (Red Deer), and His Honour the present Speaker; these were enrolled among those opposed to this tariff board. I expect to hear the Liberal statesmen of former days rise in their places and explain why they find themselves able at this time to vote for a tariff board when in 1912 they voted against a similar proposition which was promoted by the party of which I am a member, and which was eventually killed by the Liberal party. And that is not quite all either. The bill was finally killed, and the Liberal chieftain gloried in the fact that it was killed, for at page 6821 we find him saying:

I have something to say in conclusion to my hon. friend—I do not know whether the Senate will agree to the suggestion or not—but if as a consequence of the motion which is now before the House and which I suppose—and it is not a very violent supposition—will be passed by the majority sitting behind the Minister of Finance; if the result of this motion is that the bill is to be killed, I say to my hon. friend that it would not be an unmixed misfortune; on the contrary in my judgment, it would be an unmixed blessing.

I venture the opinion that when the government brought down this proposition they were perhaps hoping against hope that in like manner as a similar proposition was killed in 1912 it might be again killed, as every bit of legislation that has been brought down by this administration has been killed. For instance, the Great Lakes inquiry, the present ocean freight rates inquiry, the wheat pool—all these infants born to the administration, some prematurely and some carried

a little too long, have been strangled at birth. No doubt they expect that this child in like manner will be strangled. Then they can go to the country and say, "Well, we are on both sides of the fence." The hon. member for Brome (Mr. McMaster) can satisfy his conscience by voting for this tariff board, knowing that the proposition is going to be thrown out. The hon. member for George Etienne Cartier (Mr. Jacobs), the hon. member for St. Lawrence-St. George (Mr. Marler) —they can probably square their conscience and go back to their constituents to tell them what great things have been done for the people of Canada by the Liberal party.

Mr. MURDOCK: Do I understand my hon. friend to suggest that his party, then in power with a sufficient majority, were willing to let this bill be killed, that they did not have sufficient courage to go through with it?

Mr. MEIGHEN: We went through with it.

Mr. HARRIS: I was just trying to tell my hon. friend that the bill was killed in the Senate by a Liberal majority.

Mr. MURDOCK: I do not think my hon. friend made that clear.

Mr. HARRIS: I thank my hon. friend for correcting me in that connection. I notice the late Sir Wilfrid Laurier was very careful not to mention that the bill was killed by the Liberal Senate. I overlooked noting that fact. It only shows that he was a very astute politician.

I find in the budget address another matter of vital importance to the Dominion, particularly to Ontario. It may not be of very great magnitude at present, but it will be as it develops. I refer to the duty on the exportation of electric power. Is it good business to export that great asset that we have, particularly power generated in Ontario and in Quebec? The people of Ontario have great confidence in the public ownership enterprise known as the Ontario Hydro-Electric Commission. We have taught our people the many uses of electricity. Everywhere you turn in a home you find a use for it, and its consumption is growing by leaps and bounds. The thought occurs to me that if we allow the tax on the exportation of electrical power, which the government proposes in order to increase the revenue by $400,000, we must consider who in the end is going to pay this tax next year and the year after. It will be paid not by those consumers who have long-term contracts at the present time, but by those in Canada who buy that power from day to day.

And, of the people who are buying it from day to day in Ontario, one hundred thousand are my constituents. They are the people who will have to pay, in my opinion—I shall be glad to have light on the subject if that is not the case. But apart from that, if any move in this direction is to be made, let us stabilize industries in this country and retain that power for their use. If we could only instil into the heart and mind of this government some of the tariff stability which the Minister of Finance stood for in 1922-23, we should be able to get somewhere. Stabilize industry and you will not need any export of power; you will rather have to put an embargo on it to keep it here. I do not like to see my constituents taxed for a portion of this $400,000; I object to it very strenuously! Not only that; it will have the effect of damping their enthusiasm for public ownership enterprise. I have great confidence in the public ownership of the Hydro-Electric Commission; I regard it as one of the greatest achievements of the last two or three decades. How some laughed at Sir Adam Beck when he told the people they would be washing their clothes with machines which would get their power from the white coal of Niagara! How some laughed when he said we would be heating our houses, making toast and doing all the other things we do in this day with the power made available from this source! It is only a matter of one or two decades ago that some thought there was nothing in the proposition. But what have we to-day? Tremendous industries have been built up in connection with the manufacture of all sorts of utensils using power. The possibility of the development of electrical energy in all parts of Canada is such that its magnitude can hardly be conceived. I feel, therefore, that the government is very ill-advised in putting on the statute book such a regulation as this.

I said a little while ago, Mr. Speaker, that not only were we losing our people by allowing tariff to slip a little, but we were also sacrificing some $15,637,000 of revenue. But that is not all; we are about the only nation in the world of any size that has not increased tariff duties within the last four or five years. Even the Irish Free State, in July, 1924, placed duties on boots and shoes, glass bottles and jars, soap and candles, all of which had previously been duty free. The duties on sugar, confectionery and cocoa preparations were also increased.

You know what has happened in Australia, a new tariff was introduced in that country in March, 1920, providing for substantial increases in the rates of duty on practically

every item. The imposition of dumping duties on many lines of merchandise has resulted in a further increase in the rates of duty on such goods. In addition Australia can appraise imports at prices corresponding to the prices of similar Australian products, and where such protection is deemed necessary she gives it.

Have any hon. gentlemen here had experience in shipping goods to Australia? Well, it is an interesting experience. By the time you have filled out the many forms of a protective nature which are required before you can have your goods landed in Australia customs free, you have almost enough documents and paper scrap to equal the value of your goods, that is, if the goods are not over-valued. The Australian Department of Labour imposes restrictions with regard to the labour found in the goods, whether union or otherwise, and so on. The Australian Department of Agriculture imposes regulations with a view to preventing disease from being carried in the packing of the goods, and so on. This is all done not so much to ensure that the goods shall be of the right kind as to give Australia protection against the influx of foreign goods. Let me give a little further information with regard to what has been done in other countries in the matter of tariffs.

British India—In March, 1921, a new tariff was introduced providing for increased rates of duty. In 1922 the rates of duty on many classes of goods were increased from 11 per cent to 15 per cent and the rates of duty on "luxury" goods were increased from 20 per cent to 30 per cent. In 1924 increased rates of duty on most iron and steel products were put into force.

Newfoundland—An increase in the rates of duty on imports into Newfoundland was effected in May, 1921, by the imposition of an import tax of 5 per cent on most classes of imported goods.

South Africa—About which the hon. member for New Westminster (Mr. McQuarrie) spoke so eloquently last night: From time to time the tariff in South Africa has been amended providing for increased duties on various classes of goods. Increases were made in 1919, in 1921, in 1922, and again in 1923—the last increase affecting confectionery, wheat, motor spirit, wrapping paper, boots and shoes and glass bottles.

In like manner British Guiana, British Honduras, Montserrat, Barbados, Dominica, Grenada, Trinidad, East Africa, Malta, Mesopotamia and Ceylon have all adopted new tariffs or increased the general rate and the ad valorem rate. As to Jamaica, in March, 1922, a new tariff was introduced providing for substantial increases in the rates of duty. The general ad valorem rate was increased from 16⅔ per cent to 20 per cent with proportionate increases throughout the remainder of the tariff.

You can readily see that Great Britain and all her overseas dominions and colonies, with the exception of Canada, have found the necessity of increasing the tariff as a ready and certain means of increasing their revenues as well as their existence.

All of the major nations of the world have, in a like manner, adopted from time to time an increased tariff schedule in order to maintain their population, and to stabilize themselves again in world affairs. Nations with depreciated currencies, such as Germany, Austria, and Roumania, are insisting that all customs duties be payable in gold. For instance, Germany: On July 1, 1921, all commercial conventions between Germany and other countries lapsed and from that date all imports were dutiable under the general tariff. This constituted a considerable increase, as Germany by a law passed in July, 1920, extended to imports from any country the benefits of any conventional treatments applicable to imports. Since that date there have been a number of increases in the rates of duty on numerous classes of goods. Some months ago it was reported that a general revision of the German customs tariff was under consideration. In addition to the increases in the rates, there has been a general all-round increase due to the fact that Germany requires that customs duties be payable in gold.

I will also give the House the situation with regard to the tariff in other countries:

Austria—There have been various revisions of the Austrian tariff providing for increased duties. A new tariff is now under consideration which is understood to be highly protective. Austria requires that all customs duties be payable in gold and this has resulted in a very substantial increase in the duties.

France—In July, 1919, France adopted a system of co-efficients of increase—by this system the duty leviable is the ordinary duty multiplied by the co-efficient applicable to the particular item. The maximum co-efficient was originally 3, but has been increased from time to time and is now 10. Also in March, 1921, the import duties under the general tariff were increased from a 100 per cent advance over the minimum tariff to a 300 per cent advance. A new tariff bill, providing for a reorganization of French customs duties, has recently been prepared. It is reported that the bill will provide for

material increases in the duties on many lines of manufactured goods.

Belgium and Luxembourg—In June, 1920, the Belgian tariff rates were materially increased by a system of co-efficients of increase applied to specific duties. A further increase became effective in October, 1920, by the adoption of a new method for valuing goods subject to ad valorem rates. In March, 1921, the rates of the co-efficients were increased and at the same time new and increased rates of duties were established for various items. In 1924 the customs tariff was revised with an upward trend and retaining the system of co-efficients of increase. The revised tariff became effective in November, 1924. The customs law of Belgium provides that the value for duty shall not be less than the normal wholesale price of similar goods on the Belgian market at the time of importation, less the amount of duties under the lowest tariff which such products would pay on import.

Russia—The provincial government at Archangel issued a decree on June 13, 1919, providing for a duty on goods imported into the northern territory. The rates of duty on all but some 30 items of the Russian tariff were increased. The increase in some items was 100 per cent, on others 250 per cent, 500 per cent, 1,000 per cent, and one item 1,500 per cent. On about 19 items entirely new and increased rates of duty were prescribed.

Turkey—The import duties on certain farinaceous preparations have been increased and increased duties on wheat and flour became effective in September, 1924.

In like manner the mid-European countries and the southern European countries such as Bulgaria, Czecho-Slovakia, Roumania, have provided for increased protection and for the payment of customs duty in gold. Italy, Holland, Poland, Norway, Portugal, Spain, Sweden, Denmark and Switzerland have during the last five years created commissions, who are now at work preparing new schedules, all of which are higher than those at present in effect. The same situation applies in the far East.

Japan—In June, 1921, changes were made in the Japanese tariff with increases varying from a slight increase to as much as between three and four times the former rates. In March, 1922, there were further increases and in July, 1924, the so-called "luxury" tariff of 100 per cent was placed on a large number of articles embracing some 125 items of the Japanese tariff.

[Mr. Harris.]

China—A new tariff became effective in August, 1919, with duties based on average values of imported merchandise during the five years, 1912-16. In so far as prices had advanced during the five-year period, the new tariff represented an increase. The tariff was again revised in 1922 on the basis of prices for the six-month period from October, 1921, to March, 1922, with a resulting increase in the duties.

Egypt—In March, 1921, duties were increased on various articles and in July, 1921, an additional duty was placed on a large list of articles.

Persia—A new import tariff was made effective in April, 1920, with increased rates of duty, but, owing to the substitution of ad valorem rates in many cases where the rate had previously been specific, it is impossible to estimate what the average all-round increase amounts to.

Coming back to the western hemisphere, it is not necessary for me to remind the House that Argentina, Brazil, Chili, Peru, Mexico and San Salvador have in like manner all provided for increases in their protective tariffs. One which affects Canada very considerably is Cuba. Hardly a month goes by but someone in Canada finds it difficult to get his goods into Cuba. A special tariff committee of the Cuban House of Representatives is preparing a new customs tariff to be submitted shortly to the House of Representatives. It is understood that the revision is being made along the lines of protection for existing and prospective Cuban industries, and following this principle it is proposed to increase the present import duties on cement, brick, iron and steel castings, screws, nuts, bolts, etc., ink, soap, fertilizers, writing paper, boots and shoes, matches, and so forth. In the riding from which I come I have a concrete example of difficulty in connection with this from a manufacturer of oils, who previous to 1921 found no difficulty in shipping several tank-cars a month to Cuba, but on account of the new customs regulations is unable to reach this market.

It is unnecessary to remind the House of the amount of protection which the United States government find it advisable to give their different lines of industries. Briefly the situation is as follows:

United States—The Emergency tariff of May, 1921, greatly increased the rates of duty on agricultural products. At the same time a stringent "dumping" law became effective. In 1922 the Fordney tariff became effective and provided for much higher rates of duty than those previously in effect. In 1920, the last

year of the Democratic tariff, the average rate of ad valorem duty on dutiable imports was 16.4 per cent while in 1923, the first year of the Fordney tariff, the average rate of ad valorem duty on dutiable imports was 35.1 per cent. The 1922 revenue act of the United States, in addition to providing for "dumping" duties, authorizes the assessment of duty on imported articles on the American selling price of similar competitive articles manufactured or produced in the United States, and this basis of assessment has been made use of where the protection of United States industries required it.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 16, 1925

The House met at three o'clock.

AUSTRALIAN TREATY

On the Orders of the Day:

Mr. R. K. ANDERSON (Halton): Is there any truth in the report that the treaty between Canada and Australia has been ratified by the Australian government?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As I understand the so-called treaty between Australia and Canada, there was an understanding reached that the tariff in Australia would be changed in certain particulars and that the tariff in Canada would also be changed in some particulars. I believe the Australian government have taken action in the matter of altering their tariff. We are still negotiating with Australia with respect to such changes as are to be made in the Canadian tariff. Until we have completed these negotiations, it cannot be said that the matter has been finally determined.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE.

The House resumed from Wednesday, April 15, consideration of the motion of Hon. J. A. Robb, (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. J. H. HARRIS (East York): Mr. Speaker, the facts which I gave to the House in my address and the country regarding the policies that are being pursued throughout the whole world have shown to me very clearly that this one country stands alone, a law unto itself, with regard to what policy it should pursue. Like the proverbial Irishman, we are people who find ourselves alone out of step and tell the rest of the civilized world that they are the people who are out of step rather than we.

But industry, facts, figures, dollars, cents, commodities and all those features which go to make up our present civilization are, as I said before, not the most important features. The most important feature is the generation that is going to succeed this one. I have, in front of me in that connection, to emphasize by another means the points that I have already made. The report of the Department of Labour. What does the department say with regard to vocational instruction which is being given to the youth of Canada to-day? We find that vocational instruction affords opportunities to the following groups:

> Young folks and adults who have left school too early and who find that they need more education to succeed in their occupations.
>
> Persons who are ambitious for promotions in their vocations and who find it necessary to become adept in the more difficult processes of their trades, or to become acquainted with the increasingly important volume of technical knowledge related to their trades. Effort must be made to keep pace with the developments of industry. In spite of the tendency towards large volume methods of production, the place of skilled and informed workmen is still secure.

In order to give the people this vocational instruction so that they can take their place in the industries of Canada, we find that not only the cost of vocational education to the people of Canada is of a tremendous magnitude and increasing by leaps and bounds, but the number of people who are attending our technical and vocational schools is growing at a very fast pace as the following table will show:

Attendance in Vocational Schools of Ontario

	1920-21	1921-22	1922-23	1923-24
Number of full-time teachers..	191	212	288.0	379
Number of part-time teachers..	.....	60	49.0	82
Number of full-time pupils on roll..	2,600	5,344	6,958.0	9,153
Average attendance of full-time pupils..	2,123	4,260	5,454.3	.....
Number of part-time pupils on roll..	907	574	988.0	1,319
Aggregate student-hours of part-time pupils..	40,997	37,776	60,972.5	176,673
Number of special pupils on roll..	1,019	1,604	1,456.0	2,347
Aggregate student-hours of special pupils..	223,570	351,214	247,439.5	314,427

You will note from this that the aggregate student-hours have been increased over four times in three years. In a like manner, the number of pupils on the roll have increased.

This vocational education of the youth of Canada is costing us considerable sums of money, which everyone in public life is very glad to vote from year to year. The expenditure for vocational training by municipalities is growing at a tremendous rate, as is shown by the latest summary on expenditures as given by Department of Labour report at page 104:

Summary of Expenditures by Municipalities

	1919	1920	1921	1922
Total expenditures..	$659,072 82	$1,347,905 04	$1,585,086 36	$1,871,614 21
Legislative grants..	140,294 14	511,021 04	670,758 56	638,217 28

This expenditure is an index of the amount of time, effort and money which is being placed at the disposal of the young people of Canada, to train them in the vocation of the industrial life of the country. The passing of estimates in this connection by public men of all stripes is an endorsation of the policy that it is the intention of all parties in Canada to see that we build up, along with other activities, an industrial life in the manufacturing of our raw materials into finished products, in order that we may have a balanced Canadian life. I emphasize this again because, across from my door in my constituency of East York, there is a million-dollar institution known as the Riverdale Technical School, which was opened in September 1923. With regard to this school the report of the Department of Labour states:

> The new Riverdale Branch Technical School, Toronto, opened its doors for the first time in September, 1923. The opportunities for vocational education here offered, with adequate accommodation and equipment, received a most satisfactory response. The number of pupils enrolled during the year was 626 in the day school and 1,800 in the evening school. Any anticipation that the opening of the Riverdale branch would reduce the total enrolment in the Central Technical School was not realized. The enrolment in the Central school remained at approximately the same figures as last year.
>
> The total number of pupils enrolled in the three vocational schools of Toronto—the Central Technical School, the Riverdale Branch Technical School, and the High School of Commerce—for the autumn term of 1923 was 4,755 day pupils and 10,074 evening pupils.

I graduated from a technical school not many years ago and I knew practically every graduate in the Toronto technical school at that time. They could be counted on your fingers then, whereas to-day there are fifteen thousand students in and around the city of Toronto who are being educated to take their place in industry. Now, in view of the facts which I submitted to this honourable assembly yesterday afternoon, I say that in the policy which this government is at present persisting in we are not putting into practice our ideas as to what should be done to educate the youth of the country. Every party, Liberal, Progressive or Conservative, will readily pass estimates for educational purposes. Let us then be honest with ourselves; if we are going to educate the youth of the country to take their place in Canadian industry, we should see to it that industry is maintained in the country in order that when these students graduate from the technical schools they may be able to obtain employment and so remain at home. Around the corner from where I live there are three or four different families, members of which have graduated from this same technical school since 1923. Where are they to-day? I wonder whether the Prime Minister (Mr. Mackenzie King) saw any of them when he was down south before the Easter recess. That is where they are. Honestly, it breaks my heart to see the best of our youth going over to the United States!

Some hon. MEMBERS: Oh, oh.

Mr. HARRIS: Let hon. gentlemen roar if they will, but it is far from being funny. I had the pleasure of having a football team around my neighbourhood last year and we cleaned up the city of Toronto championship within a couple of points and were runners-up for the Ontario championship. A number of those young men are gone. So that it certainly is discouraging to think that so many of these young fellows around the age of twenty-one are leaving the country. Two of our star men and a couple of others are now in the United States, a distinct loss to this country. The very finest and best of our Canadian citizens are finding it necessary to go somewhere else to make a living. Surely this state of affairs must be put an end to!

I gave certain facts yesterday with regard to the diminution in imports, and to reinforce what I said then and to emphasize the necessity for retaining our manufactures in Canada, to provide not only for the employment of the hands of the graduates from our technical schools but also for the employment of their

minds. I should like to place on record in Hansard a brief summary of the information I gave when speaking before on this subject:

Importations for Home Consumption, ten months ending January 31

Manufactured and partly manufactured Products

	1924	1925	Decrease per cent
Fibres textiles products—			
Dutiable	$ 90,180,970	$ 88,369,654	2.0
Non-ferrous metal products—			
Free	10,089,892	9,390,943	
Dutiable	25,309,930	24,201,242	5.11
	35,399,822	33,592,185	
Chemical products—			
Free	9,033,950	8,721,239	
Dutiable	12,495,958	11,326,165	
	21,529,908	20,047,404	6.88
Miscellaneous products—			
Free	19,213,347	19,168,949	
Dutiable	22,224,984	20,799,641	
	41,438,331	39,968,590	3.53
Grand total (all classes)	744,279,406	650,894,554	12.53

Analysis of Iron importations ten months ending January 31

Raw Material

	1924	1925	Decrease per cent
Raw iron	5,407,046	2,314,123	
Pigs, ingots, blooms	2,057,629	1,500,791	
Scrap	536,639	433,310	
Castings, forgings	4,146,449	2,807,541	
Rolling mills products	41,961,509	28,107,918	
Tubes, pipes	3,526,465	2,027,573	
Wire	3,526,084	2,084,767	
	61,161,821	39,276,023	35.8
Partly finished and manufactured products, engines, boilers, farm machinery, hardware, cutlery, tools, vehicles, etc.	84,508,740	68,717,060	18.6
Total	145,670,561	107,993,083	25.87

Percentage of exports and imports in terms of raw material and finished product

	Raw Per cent	Finished and partly finished Per cent
Exports—		
Class 4 Wood products	64	36
Class 6 Non-ferrous metals	77½	22½
Imports—		
Class 4 Wood products	27	73
Class 6 Non-ferrous metals	13	87

Let us take the asbestos industry for example. The hon. member for West York (Sir Henry Drayton) in an able manner demonstrated to us how our policy at the present time is operating to the disadvantage of Canadians. Some 199,000 tons of this commodity are produced at a cost of $37 a ton. Where does it all go to? It has gone to the New England states in the raw condition to supply forty different factories. These factories turn out the finished article, the total value of which comes to something like $70,000,000, and it will be seen what a tremendous loss this country suffers when we compare that huge sum with the $7,500,000 which we get for the raw material. And let us remember that the cost of the finished product consists largely in labour, which is so much lost to this country. Everybody knows that one engineer and one gang boss or foreman can direct the energies of an army of labourers, and so long as we continue in the course we are now following we shall witness emigration of the people of Canada. What is the use of our trying to educate the youth of the country when we make it impossible for them to put that education to use afterwards. I dislike very much encroaching on the time of the House, but the following verses are so apt at the present time that I shall venture to read them. I had almost said that they might have been dedicated to the present Prime Minister. Here they are:

Lament of a Canuck

I am sitting and a thinking of the
days that's gone before,
For I'm leaving this my country and
my heart feels sick and sore;
There's a hundred thousand others,
and their plans are kin to mine,
For they're leaving home and country
to migrate across the line.

Sure, I've tried to stick it longer,
but my bank account is low,
Though I hate to leave the homestead,
still I know I've got to go;
For while politicians sidestep
and declare the times are fine,
I have got to leave my birthplace
and migrate across the line.

I am sorry the Minister of Labour (Mr. Murdock) is not in his seat.

They say our neighbours over there
appreciate our worth,
And welcome sons from Canada,
the richest land on earth.
I'm doing what I think is best,
and I sure don't want to whine,
But conditions here have forced me
to migrate across the line.

I've made my plans to settle
in that land across the way,
And if I like the country,
you can bet your life I'll stay;
But I'll watch your progress over here,
and I hope you'll all do fine,
But me, I'm through with Canada,
I'm bound across the line.

If the present administration wants to be honest with the people of Canada it will certainly go to the country!

This may be my last chance to make a budget speech on behalf of my constituency of East York, and I take the opportunity of expressing the hope that the government will appeal to the country and get a mandate from the people, or let someone else who has got a mandate take charge of affairs. In that riding of 100,000 we are about seventy per cent industrialists; and seventy per cent of that seventy per cent are owners of their own homes; they own their own humble little cottages ranging in value anywhere from $3,000 to $5,000, $6,000 or $7,000. I wish hon. members would try to form some idea of the amount of money that is involved in any one particular riding such as this, not only in the capital of one industry but also in the capital that is invested in the homes of the employees. If hon. gentlemen would take those facts into consideration they would see what even one industry means to any particular community. It is therefore a matter of great magnitude to the people of a manufacturing centre to see their industries are maintained unimpaired, and it can easily be imagined what concern it must occasion these people when they see one manufacturing industry after another close down.

Every day when in Toronto I have occasion to pass down Carlaw avenue on which are situated the Jefferson Glass Works, which have been there since 1913. That establishment used to employ anywhere from three hundred to as high at one time as six hundred men who were engaged in the making of glassware of all kinds. That plant to-day is shut down and it will probably never start again; the industry is demoralized, is out of business altogether, and this simply because the products it manufactured now come from Belgium and to a large degree from the United States. The tariff has been the means of shutting down this particular plant and it means a loss of $500,000 in wages to numbers of people in my constituency. I think just now of one case of hardship that exists not very far from where I live. An employee of Jefferson's with an invalid wife and one daughter who earns $10 a week has been out of work since July last, having been able to obtain only about two weeks' employment in the interval. At my home on Saturday night he said to me, "What can I do, Mr. Harris? I missed the last payment on my house and the next payment falls due on April 15; if I miss that one I am going to lose the home which I have been trying to pay for during the last five or six years." This man could not buy a home earlier in life, having reared a large family of nine children whom he tried to give a fair education. And as I have said, his wife is an invalid. The man is discouraged, he does not know what to do, and he cannot find any other vocation suitable to his abilities in Toronto. He is waiting patiently for another general election in the hope that confidence will be restored in the people of the Dominion. I hesitate, Mr. Speaker, to bring these stories to the attention of the House, because, as the hon. member for West Kootenay (Mr. Humphrey) said, they are liable to shake confidence in the country—if they would shake confidence in the government it would be all right. I repeat, Sir, what I have said a score of times already, I have the utmost confidence in Canada. But with this preface, allow me to state the case of a man who came to my office on "Hogan's alley" this morning. He walked in and said, "You are Mr. Harris?" I answered, "Yes, what can I do for you, my dear fellow?" He replied, "I am one of your constituents and live at 36 Edgewood avenue, not far from where you live. I have walked to Ottawa from the city of Toronto." I exclaimed, "What!" He repeated, "I have walked here from the city of Toronto." He turned up the soles of his shoes, and his socks were showing through. I said, "Heavens! man, you must get another pair of boots." We got together enough money in "Hogan's alley" to give him the price of a pair of boots and a good square meal. I gave him the addresses of half a dozen local firms to whom he might apply on the chance of getting a job. He is an ex-service man with three children. I took down the particulars which he gave me when he called: He has a boy twelve years old, a girl ten years and another boy five years; he went overseas on January 11, 1916, and was discharged January 26, 1919; previous to going overseas he worked in the purchasing department of the Canada Metal Company; that company is very slack and he was unable to get started there again; his wife got a position here—not in the government—at $12 a week; her father-in-law got this position for her last December, and suggested that if things were so dull in Toronto her husband might come here and try to find something to do; rather than borrow the train fare the man walked here. This afternoon while we are sitting in this chamber he is out in West Ottawa calling on different manufacturing institutions in the hope of getting something to do to support his three children. He told me that he made application to the Soldiers'

Aid hostel in Toronto to take his children in until he could find something to do for their support. They replied, "We cannot take in the children temporarily, but if you will turn them over to us permanently we will take them and farm them out to somebody else." Rather than do that he has held on to them and they are at present in a friend's home in Toronto. That man has been walking the streets since last October trying to get work, and except for a few days' snow shovelling he has been unable to get anything to do.

Now, I want to tell my farmer friends something. What benefit to you are all these "industrialists," if you want to call them that? I rather think they are of some benefit to you! The voters' list for East York contains some 47,000 names, it is a pretty big riding, and those voters with their families number about 100,000 people. I have made a rough estimate of what these people consume, and with permission of the House I will place the particulars on Hansard. This is the statement:

Consumption of farm products in East York

Commodity	Quantity	Value
Cereals, flour and breadstuffs.	20,000,000 lbs.	$1,200,000
Meats of all kinds..	8,000,000 lbs.	1,920,000
Butter and cheese..	3,400,000 lbs.	1,360,000
Eggs..	1,360,000 doz.	680,000
Milk..	5,000,000 qts.	550,000
Potato and other vegetables.	5,000,000 bus.	450,000
Other farm produce..	.....	200,000
Canadian fruits..	.....	40,000
		$6,400,000

There you have about six and a half million dollars' worth of farm products. Is not that money of some use to the farmers of the county of York?—or even to our western farmers? I say it is, and I say further that industry should be maintained so that we will have diversified employment for the youth of this country as fast as they are able to take up homes and consume your products.

In my riding, Sir, is a very large township which is producing farm products, and the population of that township is somewhere around 13,000. I want to say one or two words on their behalf, because it may be the last opportunity I shall have in this parliament if the government is honest and goes to the country this fall, and inasmuch as East York is not in the new redistribution. In 1924 we imported vegetables in the following quantities:

Potatoes..	24,867,896 lbs.
Onions..	393,578 lbs.
Cabbage..	273,933 lbs.
Tomatoes..	313,591 bus.

And then again, why should it be necessary to import canned vegetables such as beans, corn and tomatoes to the quantity of 9,270,176 pounds, worth $965,449? If my constituents in East York could get a little of that business added on to what they have already they would be prosperous. Let us face the situation and protect our market gardeners by curtailing as much as possible importations from other countries. In like maner we find large quantities of fresh and prepared fruits being imported which we might just as well produce ourselves. I have prepared a statement of these importations, and with the permission of the House I will place it on Hansard:

Imports of fruits, 1924

Apples..	195,693 bbls.	$ 878,415
Strawberries..	5,014,267 lbs.	740,699
Plums..	140,208 bus.	374,250
Pears..	17,804,789 lbs.	782,464
Peaches..	13,405,896 lbs.	510,710
Grapes..	11,202,740 lbs.	874,941
Cherries..	625,313 lbs.	105,978

Add to these the tremendous importation of prepared and dried fruits which run into about 20,000,000 pounds per year, and it will be readily seen that any move towards preserving the Canadian market for Canadian farm products is of the utmost importance to our people.

The main argument which I am sure every member has in his mind in this connection is, that due to our position being a little farther north we find our market for these commodities supplied by the products of the United States before our domestic products are ready for the market. Let us therefore face the issue fairly, and not penalize the Canadian producer, because he happens to be in a climate which matures his crop a little later than his United States competitor, by allowing the goods of that competitor to come into this country and take the market away from him. Give him sufficient protection for all the goods which he can produce so that he will have the Canadian market to himself.

Regarding the railway problem, there are several other features, Mr. Speaker, which have to do with conditions in Canada at the present time. I had the honour, in my humble way, to bring these facts out before the National Railway and Shipping committee last session. I feel the time has come when we should no longer have Europe covered by soliciting freight agents on behalf of the Canadian National Railways, gathering freight, consisting largely of merchandise, to ship to Canada. We have our trade commissioners in Europe, why cannot some of these men take care of any work which the Canadian National Railways may find it necessary to

have done over there? The policy of establishing a network of soliciting freight agents in Europe is in my opinion absolutely wrong. On page 96 of the Journals of the House of Commons for 1924, volume LXI, containing the evidence taken by the select standing committee on National Railways and Shipping, will be found the following:

Mr. Harris: Sir Henry Thornton, if the policy of the government was to change very considerably, and you found, for instance, that a tariff was put up against goods coming in from Europe—

Mr. Kyte: God forbid.

Mr. Harris:—which made it impracticable for you to even send out soliciting freight agents soliciting freight traffic and express traffic, do you think you would find yourselves, with a large organization in Europe, probably embarrassed to get a financial return from your expenses?

The Witness: If such a situation would come about, if a tariff would be put up which would practically prohibit the movement of freight from Europe to Canada, we would, of course, have to trim our sails to meet the wind, and have to adjust our forces accordingly. * * *

Q. I gather that your sails are trimmed now to gather as much freight as is possible on the Continent?—A. One is always subjected, and rightly so, to whatever policy the Government may pursue.

In other words, where our policy changes from time to time, is it good business for the Canadian National Railways to place this army of soliciting freight agents in Europe? for with a change of policy we would find this large organization with nothing to do. On the same occasion I asked Sir Henry Thornton a question and it will be interesting to the House to hear his reply. I am quoting from page 94 of the same volume:

Q. With regard to the freight traffic from the continent, and the express traffic, have you also reciprocal arrangements with the Cunard and White Star lines? —A. We have a working agreement with both of these lines, with respect to passenger, freight and express traffic.

Q. I assume that the policy of the White Star and Cunard lines, for instance, would also be to push vigorously the gathering of freight in central Europe?

A. Certainly, in co-operation with us, just as we co-operate with them here on this side. We have certain freight solicitors who are on our payroll and who work very largely in connection with the securing of business for both companies.

Now, where does Sir Henry Thornton get a mandate from the people who pay his salary, to gather this freight? Well, he says a little further on, in effect, "I trim my sails in accordance with the policy of the government that is in power". It is not going to be very long, Mr. Speaker, before those sails will have to be trimmed in some other direction, and the sooner that is done the better it will be for the Canadian people.

Our railway problem is a very serious one. The United States, with fourteen times our population, has only six times our railway mileage.

Will the government help the Canadian National Railway system by giving them thousands and thousands of carloads of raw material to handle? Is it profitable to the Canadian National Railway to handle that raw material? The freight rate on class 5 or 6, raw material, from Montreal to Toronto is 20 1-2 cents whereas the rate on the same goods as finished products is 78 1-2 cents; in other words, the rate is four times as high on the finished product. It is obvious, therefore, that it is by carrying the finished product, not the raw material, that the railways will be made to pay. Seventy-five per cent of the revenue which accrues to the Canadian National Railways to-day comes from freight rates on raw material. If we can take such steps as will ensure that seventy-five per cent of the goods carried are manufactured goods we will find the Canadian National Railways getting out of debt.

Look at the geographical position of Canada—our centres of population all lying close to the border line between Canada and the United States. We find that in the Maritimes the centres of population are close to the New England states; in Quebec and Ontario they are close to the central states; in the western provinces they are close to such centres as Chicago, Minneapolis and St. Paul. The chief population centres in British Columbia are also close to the United States. Think of this in relation to our railroad problem. When the United States railroads haul goods to the Canadian border they find our centres of population just over the line, so that they get ninety per cent of the freight haul while our Canadian National lines get about ten per cent of it. As long as this condition continues, and as long as a low tariff encourages it, our railways will sink more and more into the slough of despond into which they have fallen and they will assume more and more the character of a bankrupt institution.

The time has come when we must make an attempt to help the people who are in Canada to-day; to bring about more diversified employment among all our people; to help our railway situation. If we are to do these things we must have trade flow east and west.

A low tariff tends to allow goods to come in from the New England states to the Maritime provinces. A low tariff permits Buffalo to supply the Niagara peninsula. A low tariff permits Detroit to supply western Ontario. A low tariff permits Chicago, Minneapolis and St. Paul to supply western Canada. A low tariff permits Seattle to supply British Columbia. In short, a low tariff in every instance tends to make our situation worse, and

it tends to encourage another would-be poet to put a few more lines in one of our daily papers under the caption of "Business Sense." I quote:

The dollar bill you send down south
Or over to the States,
To get some finery you could buy
Within your own town's gates,
Is not as likely to come back
And meet your sweet caresses,
As if you kept it in your burg
By buying local dresses.

I dedicate this last line to the ladies.

I've heard of men who, wanting shoes,
Just "beat it" to Seattle,
And spend a lot of B. C. dough
Changed into discs that rattle;
Then mighty gay in new shod feet
They hike back here with laughter
And shout, "Seattle's got you beat,
You're only trailing after."

My friends, so long as you support
The States and southern cities,
Yet earn your grub in this old town
While singing hard luck ditties;
How do you think our tradesmen can
Pay taxes, rent and labor,
And help the many unemployed?
"They need your business, neighbour!"

In conclusion let me say that the best thing we can have forthwith is a Dominion election; and, when that Dominion election is over, the party that attains power, whichever it may be, should at once take steps to stabilize the tariff! Somebody says it will be the Progressives. Well, I think if they were on the treasury benches they, too, would find it necessary in the interests of Canada to stabilize the tariff; at least we will hope their attitude would be such as to inspire a little more confidence in governmental institutions than is the case to-day.

I have heard hon. members talk about changing our constitution, and so on. Well, one change in the constitution that I would welcome would be a reduction of the membership of this House by one half as soon as possible.

Some hon. MEMBERS: Hear, hear.

Mr. HARRIS: I am glad some hon. members approve of that. A reduction in the indemnity has also been suggested. On this point let me say just a word, to clear my own skirts, as it were. You can take my indemnity right away if you like. I happen to have a position that keeps me going and I would be glad to serve the people of Canada free of indemnity. But on behalf of some of the hon. members who have no other particular vocation I would say, leave the indemnity where it is and give them twice as much to do. Give them a hundred thousand people to look after, which is the number I am looking after right now in my riding, and reduce the membership of this House by one half and the cost by one-half.

I would suggest also that in revising the rules of the House it should be provided that each hon. member be allowed about twenty pages in Hansard and that every page he uses after the twenty he be obliged to pay for out of his indemnity.

I have started at headquarters to reduce the public expenditure. Let us start next with what some people refer to as a white elephant, the Canadian National Railways—I will not call it that—let us there reduce a few expenditures. In the first place, curtail the expenditure on radio, and eliminate such expenditures as we had within the last year and a half of a quarter of a million dollars on golf courses. As I said before, withdraw our soliciting trade agents from Europe, and if work has to be done on behalf of the Canadian National Railways let it be done by our trade commissioners who are already there; let us not have two organizations throughout Europe. Do everything possible to increase our traffic east and west. Do everything possible to increase the traffic in merchandise and in products that will bear heavy freight charges, and eliminate as much as possible the shipping out of this country of our raw material.

Preserve the Canadian market for Canadian farm products.

Develop Canadian resources and manufacture them into finished products if at all possible; and conserve our hydro-electric power resources for the use of our industries.

Establish preference wherever possible, provided it does not interfere with Canadian workmen.

When it comes to appointing the tariff commission, let me humbly suggest that it be composed of three men, one who has the interests of agriculture at heart, one who has the interests of labour at heart, and one who has the interests of the manufacturing and commercial institutions at heart. Let this body of three get together and work out something for the good of the Canadian people. In other words, take the plank out of the Conservative platform, holus-bolus; do not put little frills here and there, as the government are doing to-day, and attempt to make the people believe that what they are giving them is a little different from what the Conservative party advocates.

With the adoption of a policy of this kind, Mr. Speaker, I feel satisfied that the Canadian people will realize even more than ever that Canada is really worth while.

Let me express a feeling which I experience as I go from one part of the country to another. I was down in the Maritimes not long ago, and down that way we see a lot of people who are known as the McDonalds, the McKinnons, the McLarens, the McLeans, the McCreas and the Camerons, some of whose ancestors I suppose came over on the Hector, some of them no doubt descendants of Wolfe's Highlanders who fought on the plains of Abraham. Very good for their lineage and where they came from, but let me implore these people in the Maritimes to remember that first and foremost to-day they are Canadians!

Coming just a little farther west we find in the province of Quebec the Archambaults, the Belands, the Bouchers, the Bourassas, the Denis', the Lauriers, the Marcils, and the Lemieuxs—French-Canadians they like to call themselves when they are in the province of Quebec, Canadians they were perhaps long before some of the rest of us. But to-day let them forget they are French-Canadians and remember that they too are Canadians!

Going out over the western plains and beyond, we find in British Columbia the descendants of those ex-soldiers of the British Empire who settled in the Okanagan valley, those rugged men in the mines that the hon. member for West Kootenay (Mr. Humphrey) was speaking about. Let these people remember that they too are Canadians!

To my friends from the western provinces let me also say: You have not been Canadians as long perhaps as some of the rest of us, but get in line with us as quick as you can. Do not forget that you have not been very long in this country.

Some hon. MEMBERS: Who.

Mr. HARRIS: I could name them. One of them is smiling at me now as I look them over. You have not been very long in this country, and you have done mighty well since you have been here. It is a pretty good country for you, and we welcome you and are glad to have you. But do not try to tell some of the older inhabitants what we ought to do. Get in line with us and help us to bring this country to the place where she belongs! Line up!

Mr. FORKE: May I ask how long the hon. member has been a Canadian?

Mr. HARRIS: I do not know anything different. I was born within a few yards of where I now live, in the centre of an eighty-six-acre farm, which to-day is peopled within every thirty-foot lot by home-loving people, with paved streets through the whole of it, I have stuck right to the place where I was born, and I hope I shall still remain there. But I know what is running through my hon. friend's mind. He thinks "what were your progenitors?" Like a good many more people in the old province of Ontario, I happen to be a descendant of an Englishman, from Bedfordshire, a man who came over here on a cattle boat and earned his first Canadian dollar right on the same street where he lives now. He has worked hard and has done reasonably well for a man who never went to school. He raised a family of nine children. I would hesitate to say how many grandchildren he has, but it is quite a number. Not only that, when I think of the rest of his lineage, I recall one brother with ten children near my own riding—that is why I get such a large majority. I think of another uncle in Australia, with seventeen children. There is only one other member of the family, and he is out west, and has eleven children. Yes, and when I think of my own immediate family, I can find a lead for me to follow, for the one next to me has seven children, and is still going strong. I have four myself, and I am the youngest man in this house.

Mr. Speaker, when I was interrupted I had said something on behalf of Canada with regard to every province perhaps except that keystone to the whole arch of our Canadian civilization, the province of Ontario—Ontario with the descendants of English, Irish and Scotch stock, with her people who have in their makeup British ideals and traditions—Ontario is ready and always has been ready to march in line with all the other provinces of this Dominion to bring Canada to her destiny. Ontario always has been ready to move forward for the sake of Canada, and if we in Canada can get into our minds that we to-day are a Canadian people, a Canadian race, having in our makeup that ideal which is absolutely necessary, that through the history of civilization for the last eight hundred years or more we have found one dominating factor which has been the greatest agency for good to civilization, and that factor is that the British commonwealth of nations has been able to maintain itself and deal justly with every one she has come in contact with —so long as we remember that we are the Canadian race of people, and if we determine to remain firmly within the ambit of the Britannic commonwealth, realizing that in order to carry forward our ideals, we must maintain our place within the empire, then in my opinion, Mr. Speaker, we shall fulfil our destiny.

Mr. W. J. HAMMELL (Muskoka): Mr. Speaker, in rising to participate in this debate, my purpose is not to dwell on any particular phase forming the subject matter of the financial statement or of the budget resolutions so ably presented to this chamber by the Acting Minister of Finance (Mr. Robb). I propose to again leave the beaten trail, as I did in similar circumstances last year, and crave the indulgence of hon. members for a short discussion of one of the most important branches of our national trade, and one which, unfortunately, has been far too long neglected. I refer, Mr. Speaker, to that great source of actual and potential revenue, the tourist trade. The purpose of my remarks is primarily to bring to the attention of the government and more particularly to the attention of the hon. Minister of the Interior (Mr. Stewart) the urgent necessity and the beneficent effects to be derived from a government policy which would make for the proper exploitation of one of the greatest of our natural resources. In fact, the great value of the invisible exports to be credited to our tourist trade can be classed at the head of the list when we consider our national business from the viewpoint of desirability. Yet this important factor has grown in spite of nearly absolute neglect. I propose to show some of the important reasons why it is most desirable that our federal government should take immediate steps to set in motion the necessary machinery to systematize and develop this great national asset.

On the 7th of May last year, during the budget debate, I endeavoured to show with reliable figures and carefully prepared estimates the undoubted value to the nation of the tourist traffic. I may be permitted to quote one or two passages from those remarks. In giving a comparative table of amounts derived from wealth-producing industries I said, as reported at page 1857 of Hansard for 1924:

> Taking only those industries which are absolutely basic we get this amazing comparison. The figures are for the year 1923, and are as follows:
>
> | | |
> |---|---|
> | Agriculture and agricultural products.. | $407,760,000 |
> | Wood and wood products.. .. .. .. | 228,756,200 |
> | Tourist travel, estimated.. .. .. | 136,000,000 |
> | Animals and animal products.. .. .. | 135,000,000 |
> | Minerals and mineral products.. .. .. | 123,142,653 |
>
> Is it not amazing to find this item of production to which we have paid so little attention with a value higher than that of our animal and animal products or than the wealth produced by our mines?

And again on page 1859 of Hansard, 1924, I read:

> Turning for a minute to the automobile traffic over our borders, we find still more amazing results. In the year 1923 the Customs department recorded entries of 1,936,598 cars. A large number of this total of cars stayed in Canada for a period of twenty-four hours or less; on the other hand, more than 200,000 stayed for a period ranging from two days to one month, and some 3,000 cars stayed from one to six months. Even taking a most conservative estimate of three passengers per car, and an average expenditure of only $20 per car, we obtain a total expenditure from this source alone of $40,000,000. And when we consider the cost of maintenance and upkeep, gasoline, oil, and so forth, for the car and the food and lodgings for the passengers, without even including the large sums spent for souvenirs, entertainments and so forth, we readily realize that this is a most conservative total.

Now, Mr. Speaker, it is pleasant to realize that greater interest in the tourist trade is being taken throughout the country, and since the publicity given to my speech of last session I have received hundreds of letters and newspaper clippings from all parts of Canada. The press have taken up the battle cry and are spreading the good news. Automobile clubs, good roads associations, and many other organizations are lending their efforts to the development of the tourist traffic and interest is constantly increasing. Letters have come to me from all points in Canada and many parts of the United States on this subject. I have here one letter from Halifax and another from Vancouver which I desire to read. The first is from Mr. E. G. Stairs, of Halifax, and reads as follows:

> My Dear Sir,—As one who has made a personal study of the tourist trade and its possibilities by my own travels and investigations across Canada from Halifax, my home here, may I ask you for a copy of Hansard with your May 7, tourist speech.
>
> Many thanks,
>
> E. G. STAIRS,
> Halifax.

The other is from Mr. J. R. Davison, Manager of the Vancouver Publicity Bureau, and reads as follows:

> Dear Sir,—In a Toronto paper of last summer I note a report of a speech made by you in the House of Commons last year in regard to the value of the tourist traffic.
>
> This has a very great deal of excellent information in it and all your points are, I think, well taken. Among other things I note that you pointed out that the tourist travel is of value to the farmers. I am afraid as yet many of them do not realize this but it is a fact that the products of the farm form a great part of what tourists buy when with us. To make this point clearer out here we stressed it at our annual meeting in 1923. I am sending you a copy of the menu which will explain itself.
>
> You may be interested in looking over a plan we have suggested for the Dominion government. This has already been endorsed by the chief publicity organizations west of Quebec, and has received very general editorial support also. We are hopeful that the government will follow our suggestion, and put in operation some comprehensive plan for increasing the revenue from this very valuable traffic.
>
> This year has been the most profitable we have ever had, and we believe that a campaign such as we suggest will bring a great deal of business to all parts of the country.

I would like to hear from you on receipt of this, and trusting that you may be able again to put forward the need of aggressive action by Ottawa.

Yours very truly,

J. R. DAVISON.

Now, the menu card enclosed with this letter deserves special commendation. On one side the heading reads: "This is what we eat," and the dinner menu is given. On the other side appear the words. "This is what the tourists eat."

This page is certainly worth quoting and here are the figures given:

It is estimated that the tourists visiting British Columbia last year consumed foodstuffs to the following amounts:

Cereals, 1,323 bags or 132,300 pounds; bacon and ham, 394,800 pounds; bread at one pound a loaf, 2,100,000 loaves—2,100,000 pounds; jam, 315,000 pounds; coffee, 78,750 pounds; tea, 78,750 pounds; sugar, 279,300 pounds; butter, 180,000 pounds; vegetables. 2,100,000 pounds; potatoes, 42,000 bags or 4,200,000 pounds; fish, 2,100,000 pounds; flour, 630,000 pounds; salt, 31,500 pounds; fat for cooking, 210,000 pounds. Meat: cattle, 3,500 head; hogs, 8,400; sheep, 25,200. Fruit—420,000 pounds: apples, 21,000 boxes; cream, 73,500 gallons; milk, 262,500 gallons; syrup, 4,200 gallons; eggs, 8,400,000.

In reference to the number of sheep consumed this remark is appended:

Hon. E. D. Barlow said there were 50,000 sheep in British Columbia. Tourists ate over half our flock. He will have to count them again.

And I could keep on quoting for hours along the same lines, showing the great economic value of the tourist traffic. Suffice it to say that we are not in any way depleting our reserves when we deliver our goods through the eyes of our tourist friends. When we feed them our farmers profit; when we transport them our railway and steamship companies benefit; in fact every time a tourist moves some part of our economic structure is called into function, and the collective mass of this travel provides a real impetus to trade generally.

Another very important factor that is too easily forgotten is that tourist travel has a secondary influence, often far-reaching in its benefits. It builds up good-will and understanding and it opens the eyes of the visitor to the possibilities of the country. Many a holiday has culminated in an investment or in permanent settlement. It is said that the wonderful industrial development of Shawinigan Falls is traceable to a summer holiday spent in lower Quebec by one of our great capitalists. And if the truth were known it would perhaps be amazing to realize the prominent part played in the development of our country by those who first came here seeking pleasure and rest and who could not fail to realize the immense possibilities of our vast Dominion with its great wealth of natural resources.

That Canada has the required scenic beauties to attract and please the tourists is beyond discussion. There is not a single province that does not possess scenic marvels and points of beauty such as the tourist craves. Right at the door of this capital city lies th wonderful valley of the Gatineau capable of attracting and sustaining the interest of thousands and thousands of tourists. We have from east to west a chain of holiday paradises which are veritable fairylands for the tourists. The Bras d'Or lakes, the Garden of the Gulf, the Land of Evangeline, the magnificent Laurentides, the far-famed Murray bay, the Thousand Islands, the National parks, all are assets beyond value, ready to be exploited for the national benefit. I need no excuse to advertise the beauties of my own district of Muskoka; its myriads of lakes, streams and waterfalls, its countless attractive islands, its beautiful and ever-charming scenery, its healthful and invigorating climate, are yearly the pleasure grounds of increasing thousands. Here, if anywhere, the value of the tourist business is realized and every effort is courageously being made for its development. All in our district take a personal interest and have at heart the conservation of the scenic wonders of this fairlyland on the Georgian bay, and we feel, that the efforts we are making will result in benefits that will be nationally felt. The development has been marked in recent years and the number of visitors is continually increasing. Not only this, but scores and scores are added annually to the number who have already become permanently settled summer residents in the various localities.

The investment in property beautification and conservation has already reached a very large sum and costly additions are made every year. I again refer to my remarks of last year, at page 1858 of Hansard, to show what the tourist traffic means in this locality alone. I said last year:

Taking as a survey, that each of the 155 places referred to, with their accommodation for 10,000 guests, only filled their rooms five times each during the entire season, we have a total of 50,000 guests, which at an average expenditure of only $100 each would mean a total expenditure of $5,000,000. From a very conservative estimate of the value of the investment in that region we find that in cottages, resorts and launches, the total investment in the three sections of Muskoka, Lake of Bays, the Georgian bay, and Muskoka lakes, is well in excess of $20,000,000. And the investment is rapidly increasing from year to year.

On the Muskoka lakes alone we find this remarkable summary of investment, and my authority is

no less a person than the manager of the Muskoka Lakes Navigation Company:

	Summer cottages
Lake Joseph	175
Lake Rosseau	230
Lake Muskoka	490
Total	895

At an estimated average value of only $5,000 this alone represents an investment of $4,500,000.

	Resort cottages
Lake Joseph	12
Lake Rosseau	32
Lake Muskoka	26
Total	70

The estimated total investment of these resorts is conservatively placed at $2,000,000. There are besides a fleet of 22 steamers valued at $367,000 and 390 gasoline launches estimated to be worth $1,000,000. The total investment represented is $7,867,000. In this district alone the numbers of visitors during 1923 is placed at over 30,000, which at the average expenditure of only $100 each would mean a total of $3,000,000.

To handle this traffic, the help engaged on steamers, in the resort houses and in the cottages would represent 3,000 at an average of $7,500 per day for wages alone. The average daily population would be about 7,000 visitors and 3,000 employees, a continuous population of 10,000 per day during the summer months. So that, at an average of $1 per day per person, you would have a total of $10,000 per day for food alone. One could go on endlessly quoting statistics of the importance, from the tourist standpoint, of this locality; and what applies in one part of our country would be more or less general to all those wonderful sections that our country possesses.

That the estimates and statistics just referred to are the most conservative can be better realized from the following passages which I will read from a letter addressed to me a few days ago by Mr. W. J. Moore, general manager of the Huntsville, Lake of Bays and Lake Simcoe Navigation Company Limited. Mr. Moore says, in part:

The owners of the different hotels and resorts in Lake of Bays district catering to the tourist traffic, must have an investment of from one to one and a quarter million dollars in buildings, furnishings, etc. You will understand that it is difficult to give accurate figures of investment in hotel and resort properties, in the absence of figures from the owners, which are difficult to obtain.

My estimate is that at least 10,000 people, including summer cottagers, hotel and boarding house guests, and motorists visited the Lake of Bays territory in the season of 1924. Within such territory there is at least 350 summer cottages, 200 gasoline and small steam launches, also hotel and boarding house accommodation for summer guests to the number of about 2,800. Each year is showing a decided increase in the number of vacationists from the United States.

Concerning tourist traffic during summer season to this section of Ontario and Muskoka, I should certainly like to have been in a position to give you something definite as to the number who visited this territory in the season of 1924, but regret that I can only form an approximate idea, because of the very large number who travel by motor car. A large percentage of the latter traffic do not even patronize the hotels and resorts or boarding houses, but prefer to pitch their tents on camping grounds and then attend to their own cooking, etc. The season 1924 showed a decidedly large increase in the travel by motor car, to Huntsville and points beyond here.

To appreciate properly the remarks which I have just quoted from Mr. Moore's letter, it is necessary to keep in mind that the data which he gives apply only to the Lake of Bays district, which is by far the smallest of the three main sections of Muskoka. The Muskoka lakes and Georgian bay sections are not only greater in extent, but the development there has made greater strides.

Perhaps I may be accused of partiality to Muskoka. In explanation let me say that being in closer touch I have been enabled to obtain more detailed information from my own district. However, the general information which I have and the mass of statistical data in my possession enable me to say that what is true of Muskoka is no less true of scores of other districts. We are truly the inhabitants of a real everyday wonderland, and the apathy which we have shown by our inertia in the development of this vast possible trade is far from creditable to our spirit of advance. That this condition should so long have existed is very difficult of explanation, more so when one considers that in no less than forty different constituencies the problem awaits development for the pleasure of the tourists and to the great benefit of Canada generally.

I now desire to read a few passages from newspaper editorials, and other writings, to show the wakening of interest which is taking place and the demands from the press for the development of this very important natural resource. In these passages hon. members will also note the large value placed on the tourist traffic by independent observers. First I have a quotation from Mr. Frank Waterhouse, President of the Seattle Chamber of Commerce, which shows the tremendous benefits derived from advertisment. Mr. Waterhouse says in the Victoria Times of October 31, 1923:

Three years ago Tacoma's tourist population was 100,000. The expenditure of $65,000 in advocating this traffic brought the total of transient visitors to 350,000 in 1922 and to 500,000 in 1923.

From the Natural Resources Bulletin of the Department of the Interior, I find this passage, which I also read reprinted in an editorial of the Toronto Globe under date of December 20, 1924. The paragraph reads:

There is at least one direction in which Canada appears to enjoy a golden opportunity—the attraction of profitable tourist traffic from abroad. Already the Dominion's income annually from such business

runs into a large item, but there is every sign that we have merely scratched its revenue possibilities.

Under the heading "The value of the Tourist Trade" the London Free Press says—August 29, 1923:

However, there is another aspect of the tourist trade which is even more vital and more important. This is the fact that thousands of Americans from the interior states to whom Canada is a foreign nation and who imagine it is largely trackless forest peopled by bears, moose, Indians and gay voyageurs are having their eyes opened. The constant streams of Americans to Canada will do more than any treaties or acts of congress or parliament to make for good-will between the two countries.

I find the following appreciation, well merited indeed, in the British Columbian of New Westminster, August 13:

In contrast to the failure of the British Columbia government to estimate the wealth that will flow to the province by the capitalizing of its scenery, is the work of the Dominion Parks Service in developing great national park areas, opening them to tourists, and making known their scenic attractiveness throughout the continent. The Dominion, in other words, went into the business of selling scenery for the benefit of all of Canada, and while the commercial side is not alone the mainspring of national park development, hundreds of thousands of dollars have been caused to flow through Canadian channels and especially British Columbia channels of trade by the National Park development.

The following paragraph from the Victoria Times has its own significance:

One of the advantages of the tourist traffic is that while the province of British Columbia has $90,000,000 worth of lumber less than in 1921 it still has the same scenic attractions it had in 1921, although $20,000,000 has been paid for enjoying these by visitors from every part of the world and the province has not been depleted.

The figures given are for the year 1921. A more recent survey of the value of the tourist traffic in British Columbia placed the revenues derived at over $60,000,000 for the year 1924. And let me again say that this large sum was reaped without sacrificing a single stick of timber.

The Financial Post, after completing a survey and review of the tourist traffic, has this to say:

There is perhaps no more profitable industry in Canada than the tourist industry. Like any other industry it shows returns for good sound business backing. It pays for investment in good roads, it pays dividends on capital invested in hotels which give satisfactory service, and it pays in profits to dealers and to merchants, who sell wanted goods at fair prices. And over all, like any other well conducted business, it shows satisfactory returns for money well expended in advertising when the governments, the hotel-keepers and the merchants are prepared to live up to the advertising and send back to their homes satisfied tourists who will multiply the benefits of the benefits of the original expenditure.

The Vancouver Sun adds its approval in the following words—June 19, 1924:

[Mr. Hammell.]

From motor traffic alone on a conservative basis the city of Vancouver benefited to the extent of $12,160,000. When it is remembered that an equal number of tourists came by rail and water, and that according to calculations of the companies which brought them here they spent as great a sum, it means that virtually 25 millions was reaped.

Is this not a business worthy of the greatest encouragement, one that with practical neglect brings in a single year business to the value of twenty-five millions of dollars to a single city? The Border Cities Star published on January 12, 1925, an editorial dealing with the tourist traffic under the very well chosen heading of "Tell the World." They reprinted this editorial and gave it very wide circulation. The heading of the reprint is worthy of note; it says:

By way of explanation:

The attached editorial appeared in the Border Cities Star, Windsor, Ont., on January 12, 1925. It is sent to you in the hope of stimulating a move that is admittedly of great importance to Canada. Bringing the Dominion and its advantages to the notice of other peoples, and particularly in the United States, through the medium of the radio, advertisements in foreign newspapers and magazines, etc., as well as individual effort by Canadians in general, should mean much to our country.

THE BORDER CITIES STAR.

The editorial itself starts as follows:

As The Star pointed out in these columns a few days ago, one of the most important sources of revenue upon which Canada can draw is that of the tourist industry. As noted at that time, an unofficial estimate places the return from this agency last year at approximately $150,000,000, or $25,000,000 more than American investors are said to reap annually from their holdings in this country. Nothing then could be more obvious than the desirability of building up and adding to the size of this extremely valuable avenue of income.

And among other suggestions, all very good indeed, I find in the last paragraph this very good idea for the use of the radio:

The further suggestion has been made that the radio offers one of the most advantageous means of attracting tourists and immigrants. A great government broadcasting station could reach every corner of America. High class musical programmes interspersed with attractive national salemanship in the form of lectures, talks and invitations would undoubtedly bring results. The "stunt" would be more or less original and undoubtedly would attract great attention across the line. "Canadian Nights" on the radio would be looked forward to in millions of American homes and no one would be more interested than the several million former Canadians now residing all the way from Maine to California. For them these "Canadian Nights" would constitute a breath from home and in more than one instance might be the means of bringing repatriation. The Canadian National Railways is doing some excellent broadcasting work, Why not build up this idea and cash in on it?

In a lengthy editorial, condemning the inactivity of the federal government in this field, the Winnipeg Free Press of January 12, 1924, has these two telling paragraphs:

One of the worst cultivated natural resources of this country is its tourist industry. The number who annu-

ally tour part of the land is wildly enumerated in millions, and their aggregated expenditures within the country are supposed to run into hundreds of millions of dollars. Neither estimate can be verified without more specific information, which will not be available till Canada has, like New Zealand a government tourist bureau.

After a general review of the situation and after pointing out what is being done in New Zealand, France, Italy and Switzerland, and after making a number of suggestions, the Winnipeg Free Press editorial referred to ends with this paragraph:

With infinitely more to offer, and with a tremendously rich and willing source from which to draw, Canada, governmentally, ignores its tourist harvest.

It will be seen that interest has become aroused in this new industrial field throughout the confines of our Dominion. In choosing a few quotations from newspaper editorials it has been impossible to give fair play as the time available precludes the possibility of doing justice to the mass of excellent editorial references made on the tourist traffic, its benefits and the methods suggested for its development.

From a business viewpoint one might quote the following as the principal reasons for the development and marketing of our scenic resources:

1. The financial benefit to farmers by the requirement of foodstuffs for the tourists.

2. The impetus to trade, hotels, resorts and business generally through the necessary catering for this large transient population.

3. The large volume of increased business for our various transportation companies.

What can be sounder economically than the development of a natural resource which increases in value by its marketing and in no way suffers the depletion of its original wealth? We empty our mines of their valuable deposits and then hunt for new ground to despoil. The exploitation of our forests has gone on at such a pace that our remaining reserves are yearly becoming more remote. Our commercial fisheries have required stringent control to prevent their disappearance. In a word, is it not true that, perhaps with the exception of agriculture, in every line of industry we destroy to produce? It is not so with our scenic reserves; their development means their conservation, their beautification and their amelioration. The returns which they provide never deplete the shelves of our reserves and we can sell indefinitely without ever replenishing our stock in trade.

The parity of our dollar is attributable to a very large degree, if not entirely, to the revenues derived from our tourist traffic. Hon. members may ask how. The explanation is that we pay with one hand dividends and interest on stock and bond holdings to foreign investors, and we balance our ledger by receiving with the other their contribution in payment of our scenic beauties and amusement facilities.

At a time when we require additional business to provide additional employment we cannot pass up the development of this so desirable business. I am firmly convinced that we can no longer delay the exploitation of this national asset and would humbly suggest that the best means to attain success should follow along these lines:

1. The establishment of a separate government branch specially organized for the development of the tourist traffic, and

2. The expenditure of required moneys to properly expand and cultivate the tourist traffic.

The branch which I suggest should have full powers to co-operate with all other government departments and be prepared to collect and systematize reliable statistics for advertisement and other purposes. It should also, among other things:

(a) Co-operate with all existing tourist bureaus and similar organizations with a view to welding the whole into a formidable advertising and co-operative agency, eliminating duplication of effort, providing required assistance, etc;

(b) Publish timely and well directed advertisements, together with stories, articles and pictures to make our scenic and natural beauties better known;

(c) Undertake the preparation, publication and distribution of pamphlets and other literature for the information of intending tourists;

(d) Organize and maintain an up-to-date, accurate and adequate information bureau for the benefit of all intending tourists;

(e) Work for the betterment of hotel accommodation, scenic roads, camping sites and generally for the provision of all possible facilities for the tourists.

In addition to the work I have just briefly outlined, the government should endeavour by conference and inquiry to bring about an absolute uniformity in all the laws of the different provinces in so far as they affect the tourist. I am sure that the co-operation of the provinces would be willingly forthcoming. Particular attention should be given to motor car regulations, fish and game permits and such general laws and regulations as are likely to meet the tourist in the various

provinces. Customs regulations also should be made as easy and elastic as possible with a view to preventing delays and displeasure. In this connection the utmost care should be taken in the selection of customs officers, so that whilst performing their duties they can also very greatly facilitate and expedite the transaction of needed customs business by the tourist.

I cannot close my remarks, Mr. Speaker, without saying a word of appreciation of the yeoman service rendered to the tourist industry by both the Canadian National Parks branch and the Natural Resources branch of the Department of the Interior. The publicity carried on has been most timely and most instructive and has served to waken the dormant spirit in a number of our people. Let us hope that they will not only carry on but also increase their sphere of action.

I hope I have not bored hon. members and I trust the policy which I advocate will find favour in every corner of this chamber. I cannot think of a single interest which would not be represented in the benefits to be derived from the tourist traffic. We have at our door one hundred and ten millions of people comprising the richest nation in the world, a nation that loves travel and pleasures. Why should we remain inactive when reasonable effort on our part would attract them in scores of thousands? The question of the tourist industry is non-controversial and is of national importance. The farmer, the merchant, the manufacturer—all are interested in its development. Hundreds of reasons can be advanced in support of its exploitation, and I have yet to find a single argument against it. I have devoted a great deal of time, more so in recent years, to the study of this vast national resource, and I have consistently advocated the urgent need for federal action.

In closing, Mr. Speaker, may I say that I know of no better way of developing this country and of increasing our national prosperity than by taking advantage of this golden opportunity of capitalizing our natural scenic beauties and recreational facilities and selling them to the many millions of our American friends to the south of us, who are continually hunting new grounds for their enjoyment.

Mr. WILLIAM BLACK (South Huron): Mr. Speaker, in my few criticisms of the budget I intend to be very brief. I am inclined to think that in this House there is too much criticism of a destructive kind and not enough constructive. Sometimes I fear that members have lost the great visions of our statesmen of the past, the faith that our forefathers had fifty years ago in the destiny of Canada, when I hear certain hon. gentlemen in one breath disparaging their country and in the next breath wondering what is going to happen. The great problems that we have to face to-day are debt, taxation, unemployment, railways, immigration, and probably labour. I feel that we in this corner of the House are in a very happy position in that regard. Speaking for myself, I have supported the government in every measure they have brought down that I thought was in the interests of the Dominion, and when my judgment told me otherwise I voted against the government.

We all realize the tremendous national debt that we have to carry to-day, a debt of two and a half billion dollars, which almost staggers the people. But, Mr. Speaker, when we read in the press of certain politicians all over the country saying, as the leader of the opposition (Mr. Meighen) said at Stratford last October:

> Working men banished—homes boarded up—factories closed—stagnation in business—despair in the hearts of artisans—these are the fruits of the present government—the tariff had closed two thousand factories and had driven 300,000 Canadians across the line.

When we read such doleful statements, we wonder when hon. gentlemen to our right tell us that the reduction in the tariff last year did not reduce the price of farm implements. If that be the case, I should like to ask them, what was all the hulabaloo about from them, or from the manufacturers themselves? Why, Mr. Speaker, hon. members to our right say in one breath that the country is going to pieces on account of the reduction in the tariff, and in the next breath that the farmers will get no benefit on account of that reduction. I may say that at one time I was a free trader. In the late eighties and early nineties I was as strong a free trader as there was in the land. But things have changed in the last forty years, and to-day, although I am a very low tariff man, I do not think I could at this time support free trade.

The hon. member for Fort William and Rainy River (Mr. Manion) has been telling us about the hard times that prevail. Now it seems to me that instead of calling the country down we should do something to build it up. I had to examine the Parliamentary Guide to see when the hon. member for Fort William and Rainy River came to this country, and I found that he was born here in the early eighties. He would be a young man in the nineties, and if he had lived and worked on a farm at that time as I did, he would have little to say about hard times to

day. I heard the hon. member for Dufferin (Mr. Woods) speak about selling pork and fat cattle at $3.50 or $3.60 a hundred. I well remember those days when times were so hard that one scarcely knew where the next dollar was coming from. But conditions are difficult enough to-day on the farms. I come from one of the best counties in Ontario, where last year the harvest was the best we had had in fifty years, probably the best we ever had. But with the high taxes, with heavy overhead expenses and with everything we have to buy commanding top prices, even one good crop will not set the average farmer on his feet. I do think, however, that we are having better times now than we had in the late eighties or early nineties.

In 1911 the farmers of this country had the greatest opportunity that ever presented itself to them when the reciprocity pact was thrown into the political pot. But the pot boiled over and burned sixty-six per cent of the people of this country. And who was to blame? I say it was this ignoramus bunch of eighteen in Toronto—"the noble eighteen" as some people called them—they are the men who are largely to blame for Canada's position to-day. They spread over the country cartoons playing upon race and religion to such an extent that it was a shame and disgrace to this fair Canada of ours.

Hon. members to our right talk about stagnation of business and indulge in other kinds of political propaganda. But I ask them, why have three hundred thousand of our people crossed the border? Why are factories closed, if any are closed? Why is the labourer out of work? Why are the boys leaving the farms? Why have we, in this the most glorious country under the sun, such a tremendous debt? Perhaps I should not go back to the time of the Union government, but I do submit that, in the first place, daylight saving was the greatest curse this country ever saw; the resolution that was put through the House on that subject did more harm and made more lazy men than any other enactment that has ever been put on the statute book. The high financing of the war period was another curse to this country. While the young men of the land were called to the colours, our statesmen heaped one victory loan upon another and saddled the country with a staggering debt. Why did they not tax the men who stayed at home? In 1917 a man came to me and wanted me to go out collecting subscriptions for victory bonds. I refused point blank, and was asked the reason why. I said that if the finance minister of the day did not raise part of the money as he went along instead of heaping one loan upon another, somebody else would have to get the subscriptions. Not only that; look at the amount of money that was raised at that time in tax-free bonds. If I had my way I would call in every dollar of those tax-free bonds to-morrow. Why did they not tax those firms that piled up fortunes while the men at the front were shedding their life blood; at a time, in fact, when we were taxing the men on service to the extent of one hundred per cent?

I have a criticism to offer against the present government for not tackling the civil service problem as I think they should have done. I am sure that if they took the proper steps in this matter they would be backed up to the hilt by the people. If the Civil Service Commission are not carrying out their duty, I would dismiss them. If the fault in any case is with the deputy and not with the commission, then I would dismiss the deputy. Think of the army of men and women in the civil service, nearly thirty-eight thousand, between twelve and thirteen thousand of them in the city of Ottawa, according to the figures for 1922. I think their numbers ought to be cut in two.

One hon. member stated this afternoon that he was in favour of there being fewer members in this House, and I support him in that view. I myself last year was in favour of cutting the number of members down by at least one-third so that we should have not more than one hundred and sixty members after the next election. I would also cut the number of senators down to the extent of two-thirds, if they cannot be cut out altogether—either one or the other. I do not see any use in increasing the number of members in this House. If I might make a suggestion, outside of the leaders of the government and their first two or three lieutenants, thirty minutes is all I would allow any member on the floor of the House.

Mr. PELLETIER: Make it twenty minutes.

Mr. BLACK (Huron): I would be satisfied to make it twenty. I think in that way we could save this country hundreds of thousands of dollars.

With regard to immigration, I think this is probably one of the biggest problems this government has to deal with to-day. I am not one of those who believes that we should not have immigration. I hope, Mr. Speaker, that immigrants will flow into this country by the thousands and tens of thousands every year. If we had twenty-five million people in Canada to-day, which we should have had

if this land had been governed aright, a great many of our present day problems would be solved. The problem of our debt, for instance, would be solved without any trouble, also the National Railways debt. In my own province we could settle thousands of families. There are farms there where houses and barns have been built in years gone by which would cost more to build to-day than you could buy the house, barn and land for; there are thousands of such cases. On some of these farms there is no person living except the father and the mother. The others have left in years gone by for the west, or have gone into something else, and the old people are left there alone. Therefore, I would favour a very strong immigration policy indeed, only let us be careful in picking the immigrants that come to this country.

I am sorry the Acting Minister of Finance (Mr. Robb) is not in his seat, for I have a few suggestions to make to him. I have been an advocate of an export duty on wheat. That is the first thing I would suggest to the minister. I do not know what our western members will think of it, but I do not think an export duty would reduce the price of wheat in Canada one cent. I would put an export duty on our wheat going to the United States of 42 cents a bushel. I advocated that a year ago, as soon as the duty was put on across the line. Some people say they will hit us back in some other line if we do that. Well, that is their business. If they choose to do that, all right; I have nothing against it. But I think such a tax would be the greatest boon to this country at the present time. We farmers in Ontario could double our output in five years if we could get as cheap bran and shorts as we got fifteen years ago. Then they cost ten and twelve dollars a ton, while the average for the past five years has been twenty dollars and twenty-five. I am not speaking of last fall, when I paid thirty dollars for bran, and I do not think you could buy it any cheaper to-day. The great need of Ontario to-day is cheap feed.

I would also put an excise tax on automobiles, or raise the luxury tax by five or ten per cent on all cars costing over $800 or $1,000. I think the man who can buy an automobile that is worth $3,000 could easily pay double or treble the tax he is now paying.

I would also put an excise tax of ten per cent on leather, or else reduce the present tariff by that amount.

I would put a three per cent tax on all watered stock in this country. I have not been able to get any exact figures as to the amount of watered stock, but I will guarantee that such a tax would bring us in the ordinary revenue required in this country.

Mr. BENOIT: Why not ten per cent?

Mr. BLACK (Huron): That is perhaps more than the man is receiving on his stock. I think it should really be five per cent, but one or two with whom I have talked the matter over think that would be too high. I think we would easily derive between fifty and a hundred millions from such a tax.

I would also favour putting a small direct tax on the people of Canada, and lay that money by for a sinking fund to meet our obligations as they come due. Suppose it was a tax of one mill on the dollar. We had such a tax in the county of Huron during the war, and it did not cost the government of this country one dollar to collect it. It is the cost of collection that is the trouble with the income tax and the tariff tax to-day. Some men say it only costs so much to raise the revenue of this country by means of the tariff, but I will guarantee that for every dollar of tariff tax that goes into the treasury of this country, three dollars comes out of the pockets of the people.

Mr. BENOIT: Would this direct tax be a tax on capital?

Mr. BLACK (Huron): No, on the assessed value, one mill on the dollar. I forget what we raised in the county of Huron in those few years that we had the tax. The collector of taxes in the different municipalities could collect that tax, along with the other taxes of the township. It would not cost more than a few dollars to collect. The tax could be collected in the same way in the cities at practically no expense, and could be handed over to the government.

Mr. BENOIT: The tax would be applicable to real estate, I suppose?

Mr. BLACK (Huron): I would assess real estate the same as any other assessable property. I would not assess incomes for this tax.

In regard to our National railways, I would voice the sentiments of some hon. members of this House in favour of a re-valuation of the whole system from beginning to end. If we had to add to the public debt of this country the difference between the present value and the re-valuation, we would be further ahead than we are to-day the way it is. No doubt at the time the Canadian National railway system was taken over, conditions were something like those prevailing

when the returned soldiers got back and bought farms for ten and twelve thousand dollars which to-day are not worth six thousand dollars. If we added the difference in re-valuation to the national debt of this country, we would have to pay interest on it just the same as we do now with regard to the deficits on our National railways.

Railway freight rates to-day are too high; express rates are too high. In our part of the country in the summer time the auto truck is carrying a great deal of the passenger traffic, as well as a great deal of the freight traffic. We are building roads in the province of Ontario, and the auto truck is contributing practically nothing to their upkeep. We are also at the same time building railways, and we have to keep up the roadbed as well. A re-valuation of the National railways to my mind would be a great step towards reducing railway rates at the present time. Some people would say when it is proposed to reduce rates in Canada that they are lower here than they are in the United States. But is it necessary to take such a fact as that into consideration? Personally I am in favour of Canada running her own affairs and letting folks across the international boundary line do the same. The amalgamation of the two great railway systems in Canada has been advocated in order to bring about economy, and the hon. member for North Waterloo (Mr. Euler) has figured out that if this were done a saving of $75,000,000 would be accomplished. The argument is that if all duplication is cut out this enormous saving might be made. I believe that the gentlemen at the head of these two systems, Mr. Beatty and Sir Henry Thornton are two as able men as can be found in the world. I think these two great railway heads should get together and see what can be done in that direction. I am told that there are districts in Canada where the two railways are running parallel and that in some cases there are six, or eight or ten trains running in each direction every day. This must involve an enormous expenditure, and anyone can see what an enormous saving could be made if the duplication of trains, in some instances carrying only half loads, could be put an end to.

In regard to the budget, I was glad to learn the determination of the Acting Minister of Finance to withdraw the dumping clause. I am not going to say at the present time where I stand on the fiscal policy of the government, but if the dumping clause had been allowed to remain I should have had no hesitation whatever as to what course I should pursure. I shall not now indicate what I shall do; I will content myself by saying that I have not yet made up my mind as to which way I shall vote.

Mr. GROTE STIRLING (Yale): Mr. Speaker, I have listened with close attention to expressions of opinion from hon. gentlemen in different quarters of this House, some of which have been extremely long and some remarkably fluent. The ablest of them, perhaps, have been the utterances of hon. members who have the happy knack of saying just exactly what they mean without any redundant words.

I listened specially to the speeches from the government side in the hope that I might at least be able to get a clear understanding of what the fiscal policy of the administration really is. Hitherto I have been unable to grasp it. We hear it frequently described as a tariff for revenue. That appears to me to be exactly the same thing as the fiscal arrangement known as free trade in Great Britain; and yet supporters of the government not infrequently state their objections to being called free traders. When the hon. member for Vancouver Centre (Mr. Stevens) some days ago extracted a promise from the Minister of the Interior (Mr. Stewart) to explain a certain famous phrase which he had used I pricked up my ears for I thought that at last I should have the opportunity of listening to a solemn pronouncement of the fiscal policy of at any rate one member of the government, possibly even the policy of the government itself. Again I was doomed to disappointment for when that hon. minister spoke the following day he announced that free trade would not do for Canada, that if he had ever been a free trader the war had altered that. I am not quite sure that I follow him in that sentence. He went on to say that he did not believe "that adequate protection or high protection that our hon. friends are so fond of demanding."—I must say that I have not yet heard high protection demanded in this House—"is either necessary or in the best interests of the country." He was then asked if he believed in protection at all, and he replied:

5 p.m.

> Not if you define protection as "adequate protection." I believe in a tariff for revenue because I conceive that we cannot change conditions in this country.

I must presume that the hon. gentleman knew what he meant when he spoke those words, but his statement conveys absolutely nothing to me and I do not think it conveys anything to anybody else in this House. The minister was then asked if he believed in "inadequate protection," and his reply then was that there was not such an animal.

Although he was asked three times to explain "the death knell of protection" he failed to do so and contented himself with the statement that he had already explained it.

There is one feature in the budget proposals which will be received with considerable pleasure in the country, and that is the suggested increased duty on slack coal. Nobody can suggest for one moment that that is tariff for revenue. It is absolutely tariff for protection; and one cannot help wondering what has induced the government to move from a tariff-for-revenue policy towards a policy of pronounced protection. I cannot help thinking that the government, faced with an early election, has seen fit to balance up the probabilities of support to be received from the Maritime provinces against the support which it might probably lose in the west by adopting a purely protective suggestion. I think, too, that the government, in considering the circumstances which face it to-day, is not at all sorry to find that the rift in the Progressive lute has at last become audible, and for that reason has decided that there is more to gain in the east than it will lose in the west. So far as this is a genuine attempt to assist a Canadian industry I am wholly for it. My objection to it, however, is that it is merely fiddling with the question. It is doing a little piece to help one industry and leaving others untouched; there is no bold policy for the assistance of Canadian industries in the gesture. In the southern part of the constituency of Yale, in the Similkameen division, there are considerable colliery interests. Those colliery people are not in quite the happy state the hon. member for West Kootenay (Mr. Humphrey) has described the mining interests of his constituency to be. They are faced with very considerable difficulties. They review the situation very frequently. In order to explain their position I want to read a resolution which the Princeton Board of Trade has recently passed. I take it from the Princeton Star of April 2. This is the view that the Princeton colliery interests entertain of the situation:

Whereas the present consumption of coal in Canada is about 38,000,000 tons annually,

And whereas about 54 per cent of this amount is imported from the United States at a cost to the people of Canada annually of about $125,000,000,

And whereas coal equal in quality and in almost inexhaustible quantities exists in Nova Scotia and New Brunswick in the East and Alberta and British Columbia in the west,

And whereas for example a certain class of coal that could readily be furnished by British Columbia mines, enters Vancouver, B.C., from Bellingham in the State of Washington, U.S.A., to the extent of from 3 to 4,000 tons per month duty free,

[Mr. Stirling.]

And whereas all coal from British Columbia passing over a three-quarter inch screen, when entering the State of Washington is required to pay a duty to the United States of 53 cents per ton,

And whereas the bulk of the coal imported from the United States into Canada is consigned to the central districts of Canada, remote from the eastern and western coal fields,

And whereas a substantial duty on United States coal coupled with a subsidized railway freight service from our coal fields, would assist the coal mining industry, and make the use of Canadian coal in the central districts a possibility, giving employment to a very large number of our settlers in actual mining operations alone, and assisting in keeping our coal mines in operation 12 months of the year instead of a few as is generally the case at present,

Therefore be it resolved that the federal government be urged to at once adopt an active national fuel policy to include the levying of a substantial duty on all classes of United States coal and the reduction and adjustment of freight charges on Canadian coal to overcome its geographic handicap.

That illustrates the view which the colliery interests in Yale take of the present situation in the coal industry.

Coal is not the only industry in Canada which would surely be the better for assistance in development. I take it that all of those in this House who so frequently refer to a desirable policy which will enable Canadian industries to supply Canadian needs, will be in favour of such assistance to Canadian industries that they may have a reasonable opportunity of filling Canadian needs. Why should the poultrymen not supply every egg that is required in Canada and then have a considerable quantity for export purposes? In that regard I want to quote a sentence or two from the Summerland Review of March 19. There are many poultry interests throughout the Okanagan valley, the Similkameen valley and Grand Forks district, and this voices the interest of the poultry men:

Poultry farmers who have been interviewed by the poultry husbandry department of the University of British Columbia declare vehemently that unless some measures are taken by the Dominion government to prevent the influx of cheap Chinese and American eggs of the lower grades into Canada, disaster threatens a large number of men who have their capital and experience tied up in the poultry industry in British Columbia. * * *

Recent considerable importations of Chinese and American eggs into Canada disrupted the eastern Canadian market for the British Columbia men in the industry, it is claimed.

While the slump this year came one month later than in 1924, the situation is now more critical, it is asserted, because of the prevailing high feed prices, and is only a manifestation of the general situation existing in Canada since the United States imposed a duty of eight cents a dozen on all eggs going into the country, while the United States eggs enter Canada for three cents a dozen.* * *

The argument is advanced by some at Ottawa that Canadian poultry men do not produce enough eggs to supply the demand in this country. It is pointed out by Prof. E. A. Lloyd, of the poultry husbandry de-

partment of the University of British Columbia, that this is true, and it will always be so if Canadian poultrymen do not receive greater encouragement and support for increased production. The necessary confidence and faith in the industry is lacking and the situation calls for strong united action among the B.C. poultrymen, he says.

I want to read two clauses from that same paper, which were reprinted from the Vancouver Sun, because they bear on the whole situation:

United States, say reports from Washington, will place further tariffs on farm produce.

In brief, the Coolidge administration proposes to give American farmers the same protection for their home market as has been accorded to American manufacturers.

After the home market has been supplied at protected prices, United States proposes to dump her surplus into any foreign country that will allow it.* * *

Before it is everlastingly too late, Canada must wake up to the fact that Canadian markets have got to be protected for Canadian workmen.

This Dominion can be made the dumping ground for English, American or European products only at the expense of Canadian wage-earners. And the price Canada pays for cramping wage-earners is depopulation and stagnation.

Another industry which has been developed and which has attained its present situation under a small measure of protection is the fruit industry. It has sometimes been remarked that the fruit grower—and this remark has been particularly applied to the western fruit grower—is a spineless individual who is always glad to appeal, and even to whine, to some authority, governmental or otherwise, to assist him in his labours. That, I consider, is an utterly erroneous opinion, because I think the fruit farmer has battled, to a great extent successfully, with a very considerable number of difficulties. He has his difficulties in production, in the handling of his crops and in the carrying of his irrigation water, for a very large quantity of fruit in western Canada is grown under irrigation, in the old days under irrigation companies and in the present day under irrigation districts. Perhaps the greatest difficulty of all is in the marketing of his crops. It has been computed that at present some 20,000 people are directly dependent upon the fruit industry in western Canada, some forty to fifty million dollars are invested in that industry and a crop of somewhere around five thousand cars is shipped every year. I think I may safely say that eighty per cent of that crop is produced in the constituency of Yale. Just to the south of that area in Canada which is given up to the growing of fruit is the far larger, similar area through the three western states of America. I have no idea of the population which is dependent upon fruit growing there, but we know that the crop which they produce is some seven times larger than that produced in British Columbia. They have been established far longer; the areas from which they draw their crops are much more dense, connected together much more closely than our valleys in British Columbia, and they are able to handle more easily in their packing houses the larger extent of their crop; some of their earlier varieties come into the market a little earlier than ours; and they have large cities, pretty handily situated, for the consumption of their produce. Besides that, they have the balance of a population of 110,000,000 of a fruit-eating nation to consume their produce. Over and above that, when the crop in the eastern states of America is a large one and distribution begins to overlap that in the west, it is the desire of the western American fruit grower to use the Canadian market as a dumping ground for his fruit. When there is a large crop both east and west in the United States and in British Columbia, the two interests come into contact in the export market in Great Britain, and there again British Columbia boxed apples have to meet the competition of the American export crop which is three to four times the bulk.

In Great Britain, during Mr. Baldwin's previous term of office, the Imperial Economic conference passed several resolutions favouring preferences towards Dominion products. These preferences did not pass the House of Commons; the matter was dropped during the regime of the Labour ministry, and the last general election was not held on this question. Consequently the present administration did not see fit to enact these resolutions when they obtained power. Instead of that the government allocated the sum of £1,000,000 a year to further the interests of Dominion trade, and they appointed the Imperial Economic committee, which was directed to turn its attention chiefly at the present time to meat and fruit. We do not know what portion of that £1,000,000 will be available for assisting Canada, nor do we know what fraction of that portion will be forthcoming for the fruit industry. But Canada is represented on that committee by the Fruit Trade Commissioner. Australia, South Africa and New Zealand also have their representatives, but in each of those cases their government has seen to it that their representative will have the benefit of consultation with several other prominent fruit men from each of these countries. I regret to say that although representations have been made to the government to do the same

for Canada, the government has not seen fit as yet to do it. We know that the Canadian Fruit Trade Commissioner has not been in this country for two or three years and he is not right up to date in the latest progress which the fruit industry has made, especially the boxed fruit industry of western Canada; I know that he feels himself that he would very much like the assistance of an unofficial adviser or two, men who are right up to date in recent fruit history, with whom he could consult in order to form his opinions and place them before the committee.

The most prominent difficulty the fruit grower faces is that of marketing his products, and it is very interesting in this connection to take up the interim report of the commissioner appointed by the government to investigate the alleged combine in the distribution of fruit and vegetables. There are one or two other short extracts that I should like to read in this regard. The question for investigation was—

> Whether by reason of the operations of any combine of middlemen the interests of the public, whether producer, consumer or others, are prejudicially affected.

That was the object of the investigation. Let me read further:

> Of all classes of the population the producer, whether growing wheat, or eking out an existence in raising fruit and vegetables, or otherwise striving to wrest a living from the soil has had a bitter struggle. But among all producers it is doubtful whether any class has had a more grim and discouraging battle for existence than those engaged in fruit farming. Dependent on weather and season, toiling himself with wife and family early and late, compelled at times to employ additional help, obliged to purchase containers for a perishable product, dependent on agents to dispose of his product usually for an unnamed consideration on distant markets, and faced in a northern climate with American competition before his season arrives, the Canadian fruit grower has had to struggle desperately for a bare living. The wonder is that he survived.

I am not aware that the Commissioner who was appointed by the government for this investigation was a fruit man. It is therefore the more interesting to note the view which he took after his investigation of the difficulty facing the fruit growers. A page or two further on there is another short extract:

> The producers of British Columbia may be classified as organized and unorganized; and are known as co-operatives and independents. The co-operative associations, which represent an achievement in organization, have made possible what slight amelioration there has been in the condition of the growers. The independents are enabled in some cases to avoid certain of the overhead to which the co-operatives are subject, but in so doing, they take the benefits created by their fellow growers without contributing to the cost; and in many cases by their unregulated marketing seriously disorganize the market for both parties. Like some fungus they sap the strength of the tree which shelters them.

Another most interesting comment by this independent commissioner is the following:

> The British Columbia producers' goods come into the market after the various crops of the different southern producers have successively appeared. By that time the "cream" has been taken off the market, and consequently the British Columbia producer needs all the assistance he can get. His market moreover is what has been called a "pocket" market. It is limited to the three western provinces, for he is not in the position of being able to dispose of his goods north and south as can the producer on the American Pacific slope.

That view rather comes into conflict with the view I have heard more than once expressed by hon. members to my left, and something of the sort was mentioned not many days ago by the leader of the larger portion of that party (Mr. Forke). He rather gave it as his opinion, though not in so many words, that if British Columbia could not produce fruit and vegetables and market them in competition with the American producer British Columbia had better quit. I am glad to notice that that expression of opinion, and other expressions of opinion that I have heard as I have moved about amongst hon. members to my left, are not quite so destructive and caustic as they used to be, and I welcome the drawing together between British Columbia and the interests of the two provinces to the east.

Mr. FORKE: Three provinces.

Mr. STIRLING: Three provinces. There are many matters in which the interests of British Columbia and the interests of these three prairie provinces are closely intermingled, and certainly there is nothing that the fruit grower in British Columbia desires more than prosperity in these three provinces, as well as an increase in population. Supposing, through unfair action on the part of some government, protection were removed or so reduced as to cause the fruit growing industry in British Columbia to die out—what would be the effect on Canada? Certainly there would be a depletion in that district; the taxes already borne on a certain number of shoulders in Canada would after that have to be borne by fewer shoulders; the wholesalers' trade in the interior of British Columbia would diminish considerably. And I can assure you that in the poor trade years we have recently passed through the wholesalers of Calgary and the coast cities have looked upon that trade of the interior as their most valuable asset. What would be the result? Consumers in western Canada would pay more for their apples. There would be no more dumping of American

fruit in the prairie provinces; there would be no competition to hold down the price that the Americans chose to ask for their fruit, they would ask just exactly what they liked, and the prairie consumer could just take it or leave it.

The report proceeds to explain these wonderful Nash interests which the commissioner was instructed to investigate, how they consist of 45 incorporated companies in Canada, in close affiliation with 84 incorporated companies south of the line. They were by way of being jobbers, and such a combination of jobbers would be a pretty substantial economic unit for any other trade interests to compete against; but it becomes a far more venomous creature to deal with when within that combine of jobbers there is set up a combine of brokers, because those brokers are then able to receive produce, peddle it out to their own friends, their own houses, charge their commissions and, as is shown, in many instances in the report make unfair merchandising profits en route. There was one instance where one manager told another manager that December had been a good month—they had cleared $30,000 in one district office. Imagine that,—$30,000! Supposing that were made up fair broker's commissions, what an enormous quantity of fruit that would mean if it was handled in the one month of December!

I do not want to go further into the report at this stage. I commend its persual to every hon. member. In it he will find light and entertaining reading, he will find once more that fact is a good deal stranger than fiction; and if he takes any interest in the sports page of American newspapers he will be interested in the slang which these brigands use among themselves. But before leaving the report I want to draw attention to the final remark of the commissioner in part one, where he says:

> There is evidence to the effect that the remedy for many of the undoubted evils of the present situation is the formation of a growers' selling agency for sale direct to the various jobbers.

I refer to that because I have heard it stated on more than one occasion that the formation of a Canadian fruit distributors' agency only means doing away with one combine and the substitution of another. That view, I think, is based on misinformation. What the fruit growers propose is that the co-operative associations all over Canada should come together and place their own brokers in the field. I need hardly explain that that does not constitute a combine injurious to the consumer, because between those brokers and the consumer stands the jobber. The desire of the fruit grower is not to make commissions, it is to effect the largest possible distribution of his fruit at such a price as the trade will stand. It is no good his boosting the price, because it will reduce the amount of fruit distributed to the consumer. And I would remind hon. members that the domestic market is of far more value to the British Columbia fruit grower than any of the export markets of the world.

The situation now is, I think that some time ago the hon. Minister of Labour (Mr. Murdock) went fishing; he has just landed his first fish; it is called a combine; now that it is wriggling on the bank; it is seen to be an injurious combine; it is of no use to the producer, it is harmful to the retailer, it is unfit for human consumption. But he has seated himself on the ground beside it and he believes that according to the terms of his license it is necessary for him to wait three months to see whether someone will come along and scotch his fish. In the meantime the fruit grower is desperately anxious lest this fish should flop back into the water, and recommence its depredations up and down the creek.

Mr. MURDOCK: Might I ask the hon. gentleman, is he in a position to give me his opinion, or the opinion of any legal gentleman of his party, that the federal government has, as a result of the passage of the Combines Investigation Act, any authority whatever to take the action that I am sure my hon. friend would like to have taken and that he has a right to expect will be taken—can he give me the opinion of any hon. legal gentleman on his side of the House that we can go and do the thing that he wants done and that should be done?

Mr. STIRLING: Mr. Speaker, unfortunately I have not the Combines Investigation Act before me. I am strongly of the opinion that there is nothing whatever to prevent the federal government from proceeding along this line. But I would suggest that the hon. minister obtain the opinion of two of the legal lights of the ministry. I say the fruit grower is desperately afraid lest this evil thing should again get in his way. It is the more important that action be taken without delay because within the last three days I hear that the Associated Growers of British Columbia have taken the very strong step of forming their own brokerage offices in the three prairie provinces. Now, it is always a strong step to start out in a territory that has been hitherto served by a well established chain of offices. In this case it is a doubly strong step to take because this combine has not yet

been scotched. Whatever action the hon. minister may be considering taking, I appeal to him as strongly as I can in the name of the fruit growers to leave absolutely no stone unturned in stopping any further possibility of nefarious action on the part of these brigands.

Mr. MURDOCK: You may be sure of that so far as this department is concerned—within our rights and authority.

Mr. STIRLING: In this connection I want to read just one of the many resolutions which reach me in the mail daily, because opinion in the west is very much stirred up on the subject of this combine. I am quoting from the Penticton Herald of April 2:

The Penticton Co-operative Growers at their annual meeting passed the following resolution:

Whereas the fruit industry in the province is at the present time in a precarious condition to the extent that it is almost impossible for the grower to recover a living over the cost of production, and

Whereas the cause of this condition has been shown by the Duncan commission to be the result of vicious and unprincipled methods used by the Nash-Mutual interests in selling British Columbia products, and

Whereas Commissioner Duncan in his findings recommended among other things that in future jobber-owned brokerage houses be made illegal,

Therefore be it resolved that the Penticton Co-operative Growers, in annual meeting assembled, request the Dominion government to prosecute the Nash-Mutual interests with the purpose of securing restitution of moneys unlawfully deducted, and that the necessary steps be taken by the government to have the Dominion parliament at its present session enact legislation declaring jobber-brokerage houses to be illegal, and bringing into effect other recommendations made by Commissioner Duncan in the interests of producers.

I want to pass from that to a consideration of the dumping situation. The principle of protecting a country's products from the dumping into it of similar products from another country has been adopted in many parts of the world. Australia has it; New Zealand has it; South Africa has it; the United States has it, in a very violent form. Under the 1922 tariff act of the United States, if it can be shown to the president that importations are being made which may injure an American industry, the president may declare a duty; he may even forbid entry until an investigation has been made. The United States use that dumping clause. We read in the Ottawa Journal of March 28, the following despatch from Washington:

Anti-dumping provisions of the Tariff act were applied to-day by the treasury against the importation of pig iron from the province of Ontario.

They have no compunction about using it. Eighteen years ago—under the 1907 act—Canada adopted the well known anti-dumping clause. That clause has never been repealed nor amended. I want to touch on this matter shortly, because I am quite sure that there is a great deal of misunderstanding throughout the country, and even possibly in the minds of some hon. members of this House, with regard to the anti-dumping situation. The one and only dumping clause in the act respecting the Customs Tariff provided that a duty could be charged amounting to the difference between the actual selling price and the fair market value with this proviso:

Provided that the said special duty shall not exceed fifteen per cent ad valorem in any case.

As the years went on and the western Canada boxed fruit crop increased in size it became quite evident that that clause was being evaded. Furthermore, there were several years when on account of a glut in the American market, their fruit was being sold at slashed prices and when it entered Canada at those same prices, with the fifteen per cent restriction still on the statute book, the anti-dumping provision was perfectly useless. So as a result of representations made by the fruit growers in 1921 the previous administration amended the valuation clause in the Customs act—they did not touch the anti-dumping clause in the Customs Tariff 1907—so as to enable the Minister of Customs to pay attention to the cost of production as well as to the fair market value. That clause was a good one and was made use of in that fruit and vegetable season. A change of administration took place, and the present Minister of Finance (Mr. Fielding) in his budget speech of 1922 declared the government's intention to repeal the amendment to that clause in the Customs act. It was repealed, but owing to the consternation which that action caused among the fruit growers and the representations they made to the government, a couple of months later, the hon. Minister of Customs (Mr. Bureau) proposed an amendment to the Customs act which introduced clause 47A. The gist of 47A is that if dumping is taking place the Minister of Customs may, if he chooses, report the matter to the Governor in Council and the Governor in Council may, if he chooses, authorize the Minister of Customs to value such goods for duty notwithstanding any other provision of the act. That did not entirely satisfy the fruit growers, but it was certainly looked upon as better than nothing. Two years ago the Minister of Customs took a trip through western Canada and I had the pleasure of accompanying him part of the time through the valleys of the interior of British Columbia. He saw the conditions for himself; he appeared to appreciate the situation, and the fruit growers felt

satisfied when he left that he would do what he could to apply a remedy. However, toward the end of last year it began to be whispered about that all was not well with the dumping provision. When I reached Ottawa I placed six questions on the order paper. The first three referred to the amount of money which had been collected in duty, and the second three asked what claims, if any, had been made for rebate, the reasons for those claims, and the amounts. The only answer vouchsafed to me was a partial answer to questions one, two and three; I received no information with respect to the latter part of the question regarding rebate. I do not think that is to be wondered at, now that the Duncan report has come out because there are several paragraphs in that report which show that a rebate of the duty was granted if it was claimed. I want to read a few extracts from it, if I may. To begin with, I give the commissioner's opinion of the situation with regard to the dumping duty. He says:

It is a common trade practice for those whose home market is well organized to "dump" supplies abroad at prices below those obtaining on the home market. The Canadian fruit and vegetable growers, whose crop is later in maturing than that of southern growers, have long suffered from American fruit and vegetables being thrown on the Canadian market in this way. To the American exporter who has already taken a profit before the Canadian supply comes in, every additional dollar received means an addition to profits. The Canadian grower on the other hand, without government protection in the nature of a dumping duty, would be unable to exist in the face of organized American competition.

That is the view of the fruit commissioner after investigating the market conditions. Then he quotes the famous anti-dumping clause from the Customs Tariff 1902 and regulations relating thereto. I notice, however, that he makes no reference whatever to this government's valuation clause in the Customs act, clause 47A. He then proceeds to give instances of evasion of the dumping provisions, and we find that in some cases dumping was actually followed by rebate. Here is a telegram from the Mutual manager at Vancouver to the Nash supervisor:

Customs dumped us on car Walla Walla barb—

That means rhubarb grown in the state of Washington.

—which cost seventy-five cents. Are you paying dump duty? We protested wildly but had to pay.

The reply to that telegram, sent by the Nash supervisor, was as follows:

Bought barb seventy-five here but not hooked to date. Suggest send particulars your claim to A. E. Burns, secretary, Western Canada Fruit Jobbers, Winnipeg, for him to fight.

Then follows a letter from the same gentleman to the Canadian manager of the Nash interests:

Dear Sirs:

....Regarding the dumping duty on barb, I am suggesting to Snow that he forward all particulars of his claim to A. E. Burns, our secretary, Winnipeg, and I am satisfied if there is any chance Burns will be able to get Snow a refund. I wish you would just call Burns up on the phone and mention the fact that Vancouver got hooked on a car and that Snow is forwarding the papers,—

And so on.

Then the commissioner points out that on that date rhubarb was being dumped into Canada at 75 cents, while the Walla Walla market price was $1. The cost of production of the British Columbia rhubarb was 90 cents. He goes on:

It appears from the above that the price of the imported rhubarb was both below the Canadian cost of production and the fair market value as sold for American consumption. In such a case it is considered that it was the duty of the local customs officer at the port of entry to apply the dumping provisions of the Customs Act both at Vancouver and Calgary. It is not known whether the duty was imposed on Carruthers' car at Calgary or remitted on Snow's at Vancouver.

Then follows some correspondence between the Nash supervisor and the Mutual manager in Vancouver, as follows:

Dear Sir,—Mr. Simington advised that Mr. A. E. Burns, our secretary at Winnipeg, will be very pleased to handle your claim for dumping duties imposed on that car of barb, and when you forward him particulars, George, I suggest that you outline that you are exclusive selling agents for the Rhubarb Association, and at the time American barb was purchased there was none available in B.C.

Mr. Burns is a very competent secretary, and I hope that you will write him giving full particulars and asking him to handle your case.

So much for rhubarb. Now let us take a look at apples.

The Nash supervisor for Alberta and British Columbia sent a circular to all the Alberta houses, as follows:

I am advised that in nearly every instance where wholesalers have been compelled to pay dumping duty on apples that Mr. A. E. Burns has applied for refund and obtained it. I do not know of a case in Alberta where it has been applied, but seems to me some houses during last season had it applied on peaches or some other commodities, and I am satisfied if you have not obtained a refund, if you will be good enough to use our secretary, Mr. Burns, sending all particulars to him, requesting him to fight the claim for you, I am sure that he will be successful.

We contribute yearly to our Association, and I believe we have a very competent secretary, and I hope that any house having a claim will give it immediate attention by following instructions suggested above.

Then we have an instance of the dumping having been withdrawn. This is from the

Nash Canadian manager to the Nash supervisor:

Dear Sir,—I think some of our houses are importing American apples, and we are compelled to pay a dumping duty.

I learn from Burns to-day that he has secured a refund of the dumping duty paid by P. Burns & Company and the Macdonald-Crawford.

If there are any sales in your district with our interests, you had better have them submit claims for refund to Burns to handle.

The reply to that was:

Dear Sir,—Any of the Saskatchewan houses who paid dumping duty on American apples placed claim for refund. They have been notified by the local customs appraiser that their claims will be paid.

The commissioner proceeds:

On April 30, 1924, Mr. A. E. Burns of the Western Canada Fruit Jobbers Association, wrote the Customs and Excise Department at Ottawa, demanding remission of Dumping Duty on certain apples bought from the Yakima Fruit Growers' Association, Washington, at 80 cents f.o.b. It will be noted that Mr. Burns states in his letter that "at the time the dumping duty was applied there were no apples in stock." It is not known what is meant by this statement, for the official published figures of the Fruit Branch, Ottawa, show the following quantities of apples in storage at the points and on the dates mentioned:

Then follow the amounts: Added together, 240,000 boxes in Regina and British Columbia at the end of January, 1924; 141,000 boxes at the middle of February, 1924; and 99,000 boxes at the end of February. The commissioner proceeds:

The letter from Mr. Burns is as follows:

The Customs and Excise Department,
Ottawa, Ont.

Attention Mr. Watson

Dear Sirs,—I was in Regina and Moosejaw last week and found that dumping duty had been applied on cars of apples coming into that district on February 13 and 14, some to P. Burns' Co., Ltd., others to Macdonald-Consolidated.

At the time the dumping duty was applied there were no apples in stock. Macdonald-Consolidated stated they were out of this commodity for 12 days. P. Burns & Co. had only one variety and they were splitting them up with the other four jobbers.

The application of dumping duty on shipments in such times is only unadulterated gall on the part of some official who evidently must have known the existing conditions in these two points, and if he had made any inquiries, he would have known that the dump was unjustified.

The above jobbers are asking for a rebate and I would be glad to hear from you at once if you are going to grant same. Otherwise we will have to circularize every member of parliament and bring this unjust application of the dumping duty to a show-down.

I attach a memo from P. Burns & Co. which you might read and let me know if, in your opinion, this assessment was justified.

The commissioner proceeds:

This somewhat hectoring letter of Mr. Burns was replied to by Mr. J. A. Watson, of the Customs department, on May 7, to the effect that the collector of customs at Moosejaw was instructed that he might certify to refund claims of dumping duty paid on importations of apples if entered since the first of February last, and that the collector of customs at Regina would receive like instructions. It is evident that if the customs authorities acted on the assumption that there had been no British Columbia apples available since February 1, 1924, they did so without consultation with the Department of Agriculture, which had accurate information on the situation.

It appears further that early in 1924, Mr. Burns reached an understanding with Mr. T. W. Mouat, special officer, Customs department, Nelson, B.C., that the dumping duty would not be applied after March 1, 1924. What was the information in the possession of Mr. Mouat as to the apple situation at the time does not appear. It is evident that Mr. Mouat's information was not of the best, for on February 29, 1924, Mr. A. E. Burns circularized all members of the Western Canada Fruit Jobbers' Association as follows:

Winnipeg, February 29, 1924.

Re Dumping Duty:

The understanding with Mr. Mouat was that after March 1, the Dumping Act would not be applied The dump has not been applied to Winnipeg cars but from Regina west. Mr. Mouat intimated he was convinced B.C. apples would not stand the haul to Winnipeg, but this is wrong as a few more days' transit would not count.

I am not surprised that the questions I have put on the order paper were not answered, because I can see in every case investigated where the dumping duty was applied a rebate was granted. I cannot help wondering why the duty was rebated. There must have been some reason. After the visit of the Minister of Customs to the fruit growers in British Columbia, it was understood that the government would make use of that clause, a clause they considered better than the clause of the previous administration, and yet something must have been wrong with the clause. I began to wonder whether it was possible that no action under that clause had ever been taken at all, and I made some inquiries, and I found that no order in council relating to Clause 47A had ever been issued. So the situation may perhaps have been this: Certain officials of the Customs department perfectly rightly, collected the dumping duty, but when it became evident that shippers had claimed a rebate of this dumping duty, the government must surely have considered they were not on very safe ground, for if the matter was taken into court, not having the clause in the act behind them, they would be caught napping and would get into very considerable trouble. I cannot help thinking that may have been the reason for the wholesale rebates granted of the dumping duty. It is quite incredible to me that the blame can be laid on the permanent officials of the department; they could not have taken such action as that which I have read from the

report without the instructions of somebody superior to them. When the budget proposals were brought down this session it was proposed by the Acting Minister of Finance to amend the old anti-dumping clause in the Customs Tariff 1907 which has never been touched yet. We do not know the reasons of the Acting Minister of Finance for that suggestion, and I myself was unable to find out what the new wording meant. It came as rather a shock to the House, and a shock to the fruit growers in the west, when six days later the minister announced the withdrawal of the proposed amendment. His explanation for taking that step was rather a curious one. He said:

> In the presentation of the budget I gave notice of a certain resolution to amend the dumping clauses. Since that time I have had further consultation with the officers of the department and have reached the conclusion that the dumping clauses as now incorporated in our act are considered sufficient to properly determine the value for duty purposes. Consequently I take this opportunity of advising hon. members that when we reach the committee stage I shall withdraw that resolution.

Does that really mean that the reason for withdrawing the proposed amendment was that the officials of the Customs department had not previously given their opinion on it, and consequently it was withdrawn? I can hardly believe that was the only reason. I am inclined to think that certain pressure must have been brought to bear upon the government just about that time and, having rather flouted certain interests in the west with regard to the budget proposals, it now thought it advisable to just concede something, and the proposed amendment was therefore dropped.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. STIRLING: Mr. Speaker, when the House rose at six o'clock I had very nearly completed the remarks which I wish to make respecting the fruit industry. There are, however, two things to which I wish to refer. I spoke of the small protection under which the fruit industry had been organized and had carried on to the considerable success which it has attained in British Columbia. I said "small" advisedly, for if you will examine the return which the Minister of Customs and Excise (Mr. Bureau) recently brought down, you will find that the average percentage of duty on all exports, both dutiable and free, which came into Canada, in the last five years amounted to 16.03 per cent. The similar figure for the last five years on apples, which constitute the largest bulk of the fruit produced in British Columbia, is but 12.4 per cent, 20 per cent less than the average duty protecting the industries of Canada when compared with the quantity which is brought in both dutiable and free. That, I consider, at the present time is adequate protection, and I do not think anybody could call it a high protection. I wish also to reiterate what I referred to before, and that is the satisfaction which I feel in recognizing a less harsh view adopted by hon. members on my left towards the fruit industry of British Columbia. They have been proceeding along co-operative lines. So have we. What we desire now is to see a greater measure of co-operation between British Columbia and the three neighbouring provinces. Why do I not hear hon. members on my left requesting the government to take action to clean up these filthy trade habits in the handling of fruit in our domestic market? The interests of the producer and the consumer in this matter are one. Why should I want to receive forty cents a box for my apples and the consumer in the prairie provinces pay three or four dollars a box? That is not to my interest, and I appeal to hon. members to my left to assist in this matter, to help us to clean up this disgraceful state of affairs in the three prairie provinces. I take it that they desire, as all true Canadians do, a movement towards the development of Canada for Canada's sake. That applies to the Canadian-born as it also applies to people like myself who are endeavouring, in however small a way, to do something for the country of their adoption. What we wish is that Canadian industries which are planted in this country should develop and continue and supply the needs of Canada.

I am glad to notice the removal of an anomaly under the sales tax. For several years past nursery stock has been on the exempted list under the sales tax; but by a curious decision by some official of the Department of Customs and Excise, tomato plants were considered to be something on which sales tax should be charged. A tomato plant has no value of itself, it has only a potential value. It is not until it is planted out in the same way that a rose-cutting is planted out that it has any value whatever. I see by the proposals of the Acting Minister of Finance (Mr. Robb) that this anomaly has been removed. But there is another piece of discrimination under the sales tax to which my predecessor drew attention in this House in

his speech on the Address, and that is the discrimination which exists in the printing trade. A printing office which does a business amounting to $10,000 and over has to pay sales tax; those doing a business under $10,000 are exempted. Possibly following upon those remarks, the Acting Minister of Finance last year spoke thus in his speech upon the budget:

> For the better protection of the revenue the sections referring to manufacturers doing business under $10,000 per year will be repealed. Removal of the $10,000 limit in connection with small manufacturing concerns will do away with difficulties in administering the act.

That sounded very good to the printer; but I was asked to look into the matter as there seemed to be some hitch, and on making inquiries in the Department of Customs and Excise, I found that although that regulation came into force on the first July, it appeared to apply to perhaps every industry except printing, for under the authority of section 19 BBB, subsection 6 of the Special War Revenue Act, publishers or job printers, who manufacture or produce job printed matter to the value of less than $10,000 per annum, and who sell the job printing exclusively to users, are exempt from the consumption or sales tax on their sales as from the 1st July, 1924. I do not know why the Acting Minister of Finance spoke as he did and then acted as he did. I do not know what difficulty arose which made it necessary to reinstate this discrimination. But I would suggest to him that he consider the possibility of exempting the larger printing offices up to an amount of business of $10,000. That would remove the discrimination, and in any town where there was a large business and a small business, it would not be possible for the small man to advertise: Come to So-and-So and save sales tax, for both would be on equal footing.

I suppose, if you were to ask pretty nearly every person in Canada what this country needs most to-day, the answer would be: A reduction in taxation. Such reduction can only be brought about by public economy. What does the ordinary sane private man do when he strikes a bad patch? He jots down the necessary expenditures he must meet and then graduates up the scale towards the luxuries, cutting them harshly. Perhaps he allows himself a certain amount of recreation, perhaps he allows himself a car; but he carries out as drastic a cut as he is able to do and yet maintain himself and his family. Why should not a similar state of things exist in national life? I do not think that anybody can suggest that real economies have been effected by this government. For instance, a year ago it was brought to their attention that the Department of Soldiers' Civil Re-establishment had finished its day of usefulness; and how much more is that the case to-day? I want to draw the attention of the House to a few figures I have taken from the Auditor General's report. The expenditures in the Soldiers' Civil Re-establishment department during the following years were:

Year	Amount
1920	$47,198,718
1921	36,272,216
1922	17,818,646
1923	13,375,134
1924	10,230,149

To show my point I shall divide these amounts into the payments to and on behalf of the soldiers in one category and all the other expenditures, including salaries and administrative charges, in the other. I shall leave out the decimals.

Year	To the returned soldiers per cent	Cost of administration per cent
1920	56	44
1921	45	55
1922	39	61
1923	32	68
1924	29	71

I do not suggest for one moment that any single expenditure for the benefit of the returned soldiers or on their behalf should be stopped, but I do suggest that there is no warrant in that for maintaining a department for the benefit of a minister, however debonair he may be, and for the officials under his charge. Nor do I consider that it should be necessary for anyone outside the government to draw attention to so obvious a saving which could be effected by the closing-up of that department and the carrying-on of the work that is left by another department of government.

Before I resume my seat I want to place on record an incident which happened in the by-election campaign in Yale. The incident to which I refer took place in Penticton. We had welcomed in our midst the genial Minister of Public Works (Mr. King, Kootenay); he is always welcome. I presume he was enjoying a well-earned vacation, for I cannot imagine that the duties of his department could have kept him in one portion of one district of one province for so long a time. The Prime Minister (Mr. Mackenzie King) and his retinue had passed down through the constituency of Yale, and one of the ministers with him had spoken on every occasion of the beautiful eyes of the ladies, while the Prime Minister himself delighted several enthusiastic audiences

by his eloquence. He had appealed to the electors in the name of chivalry and decency and fair play to return a government supporter, explaining to them how much easier it would be for such an one to obtain the ear of his ministers. I may say in passing that with one exception I have had no difficulty whatever in obtaining the ear of the right hon. gentleman's ministers, and in that one case it was probably that the particular minister was so extremely busy that I was unable at the times I tried to get in contact with him. My opponent's agent had made his headquarters in the hotel in Penticton and had displayed a very considerable amount of hospitality, which I think had been appreciated. Three or four days before polling, the Liberal organizer in the west—that I think is his title—Mr. Turgeon, called on the president of the Penticton Board of Trade and said something like this: "Mr. Boyle, I want to obtain the support of the Board of Trade of Penticton and I assure you that if Penticton will give a majority for the government candidate I will pledge myself, on behalf of the Liberal party, to the building of a post office in Penticton," Mr. Boyle, who is a Conservative, asked what he could do and Mr. Turgeon replied, "I am not appealing to you as an individual but as President of the Board of Trade. Call your executive together and put my proposition before them." Mr. Boyle called together his executive, who also were all Conservatives, and he solemnly placed this suggestion before them. Penticton was good enough to give me a majority; Penticton did not get a post office. I place this incident on record in duty to the electors of Yale, because messy dirtinesses of this description are repugnant to a very great majority of those electors. Their desire is that the decencies of private life should enter into and dominate the public life of this country.

Mr. G. W. KYTE (Cape Breton South and Richmond): In discussing the subjects suggested by the budget and the speeches made in this debate, I desire to touch briefly upon a reference made to me by the hon. member for East York (Mr. Harris) in his address yesterday afternoon. In speaking of the proposal of the government to form a tariff board the hon. gentleman pointed out that in 1912 the government then in office also had a proposition before parliament to create a tariff board and he added that certain members now in the House of Commons supporting the present government and who were then in opposition had voted against that resolution. He proceeded to charge those members, including myself, with inconsistency if we dared support the proposal of this government. Mr. Speaker, I desire to say that his statement as to my having opposed the proposition of the government in 1912 to establish a tariff board is perfectly correct. I opposed it on the ground that the high protectionist government then in office ought not to be entrusted with the creation of a tariff board. The hon. member for East York could have found the reasons why I and other members sitting on this side of the House voted against that proposition. He would also find that the member for South Wellington (Mr. Guthrie) —who now sits with him—spoke and voted against it for the same reason.

And why did I not have confidence in a tariff board established by the government then in office? Because, only three weeks after that government came into power, by a new interpretation which they arbitrarily placed upon a certain clause in the customs tariff they removed from the free list an article that had been in use by the fishermen of the Maritime provinces for some twelve years and put it in the class of dutiable articles subject to a duty of 25 per cent. I refer to barked marline. In 1898, after the Liberal party came into office, in the course of revising the tariff they placed certain articles upon the free list, included among them being nets, twines, ropes and barked marline. Our fishermen enjoyed that privilege, as I say, from 1898 to 1912 when the new Minister of Customs under the Conservative government, owing to influences being brought to bear by the manufactures of cordage, made this arbitrary ruling a few weeks after he came into office, thus depriving our fishermen of the privilege of buying at a cheaper rate this article which they required in the carrying on of their business.

But, Mr. Speaker, that is not the only case. Rough lumber was also admitted under the free list from 1898 onwards, being enumerated as sawn lumber, while manufactured lumber was in the class of lumber having one side planed or "edged" as it is called. The lumber dealers in western Canada came to Ottawa at about the same time as the manufacturers of cordage came, and they pointed out to the new Minister of Customs that this rough lumber ought not to be admitted free any longer, that while the edges of the boards were not planed they were sawn with so fine a saw as to amount almost to being planed, and therefore should be subjected to a duty of $2 per thousand feet; whereupon that duty was imposed. The purchasers of that class of lumber, I think it was in the province of

Manitoba, took the matter into court. What the decision was I do not know as I was not any longer interested. That, Mr. Speaker, is the reason why I did not feel that I ought to vote for any legislation entrusting the government of that day with the appointment of a tariff board whose interest it would be to see that the tariff was kept up rather than down. Mr. Ames, then the member for St. Antoine, in a speech he delivered at the time, very frankly admitted that the result of the appointment of a tariff board might be that the consumers would be compelled to pay more for certain articles than they were then paying.

Now, the hon. member for Fort William and Rainy River (Mr. Manion) rather ironically referred to the condition of the Liberal party in respect of unanimity. He pointed out that there were grave divisions of opinion in the ranks of the members sitting on this side of the House, that some are free traders, some are high protectionists, and others are moderate tariff men, and that taking them all in all they represented a great medley of opinion. Well, we always find the maximum of unanimity in the minimum of numbers; and inasmuch as the hon. gentleman places so much value upon the virtue of unanimity, he has the consolation of knowing that just in the proportion that the Conservative group in this House continues to decrease in numbers so it will increase in unanimity.

Mr. MEIGHEN: It is the only group that has increased since the last election.

Mr. KYTE: They have increased by retrogression.

Mr. GRAHAM: The percentage was high, too.

Mr. MACKENZIE KING: They did not increase in West Hastings.

Mr. MARTELL: It takes an Irishman to answer an Irishman.

Mr. MEIGHEN: It was not very well done, though.

Mr. KYTE: I think it is very fortunate for the consumers of this country that the proposition for the establishment of a tariff board comes from a Liberal government whose ideal is protection—for we know that some burdens from the shoulders of the taxpayers. Supposing our Conservative friends were in office, and supposing such a proposal were submitted to a caucus of the party whose ideal is protection—for we know that sometime ago the right hon. leader of the opposition (Mr. Meighen) issued a manifesto in which he set forth the desirability of more protection—and supposing further that in his party there was that unanimity of opinion which the member for Fort William and Rainy River boasted of, what chance would there be of any low tariff men being appointed upon the tariff board? The government would be unanimously of the view that protection was the only thing for Canada, the more protection the better, and therefore they would see to it that those in favour of lower tariffs were not appointed. But under present conditions, if it be true, as the hon. gentleman said, that we have free traders in our party, high tariff men, and low tariff men, when the proposition is submitted to a caucus all those views will be expressed and represented, and that caucus will more nearly arrive at a proper conclusion as to what is best for Canada than would a caucus of our hon. friends opposite.

Mr. SUTHERLAND: Might I ask my hon. friend if he is arguing that his government are going to be a party to a low tariff commission rather than a commission that will judge tariff questions on their merits?

Mr. KYTE: I thought I was speaking loud enough for the hon. gentleman to hear me, but apparently my command of language is inadequate to enable him to understand me.

Mr. SUTHERLAND: Am I to infer that it is the intention of the government to appoint a free trade tariff commission to deal with tariff questions?

Mr. KYTE: I am not accountable for what the hon. gentleman understands.

Mr. SUTHERLAND: That is what I understand.

Mr. KYTE: If I were I would have a very much greater job on my hands than I have at the present moment. I did not suggest that the appointments to the tariff board would be dictated by the free traders in the party any more than that it would be dictated by the high protectionists—if there be any. It would be appointed with a view to promoting the best interests of all the people of Canada.

The presentation of the budget, Mr. Speaker, is always a milestone in the financial and business history of this country. The present budget also represents a milestone in the distance that we are getting away from the sad period of 1914 to 1918. The presentation of the budget by the Acting Minister of Finance (Mr. Robb) has been received with great favour all over Canada. A year ago

a great deal of pessimism was expressed by hon. gentlemen immediately opposite, as well as by their press, with regard to the dire fate that was to overtake various manufacturing interests in this country as a result of the fiscal proposals of the government. I do not propose, however, to discuss the budget in its application to the whole of Canada; my observations will be confined more particularly to the condition existing in Nova Scotia, a province of which I am one of the representatives. Things have not been going well in Nova Scotia, I regret to say, for some time.

Mr. SUTHERLAND: Or anywhere else.

Mr. KYTE: Oh, yes; there are places in Ontario where factories are working overtime and on double shifts.

Mr. SUTHERLAND: Where are they?

Mr. KYTE: Unfortunately, however, it is not so in Nova Scotia.

Mr. SPENCE: You ought to live in Ontario and find out.

Mr. KYTE: Thank heaven I am living where I am.

Mr. SPENCE: Well, we are glad you are.

Mr. KYTE: The grievances of Nova Scotia extend as far back as confederation. It is well known to students of the political history of this country that Nova Scotia did not take kindly to the confederation idea. After the leaders of political opinion in the great central provinces of Ontario and Quebec had come to the conclusion that stable government could not be continued under the conditions then existing, it was decided to bring about the union of those two provinces, and subsequently the idea was enlarged to include all the Maritime provinces. Following the conferences at Charlottetown and Quebec, called for the purpose of discussing the union of these provinces, it was decided that the Maritime provinces would be included. A campaign was carried on in Nova Scotia and great promises were made as to the advantages that would accrue to the province if it came into the union. The people of Nova Scotia, however, were not friendly to the idea. In the general election of 1867, which was known as confederation election, only one member was returned from Nova Scotia who was a supporter of confederation, namely, Sir Charles Tupper; every other representative from that province was opposed to it. And confederation has not worked out any better than was anticipated by the people of Nova Scotia at that time.

The second grievance that they have in Nova Scotia is the grievance in respect of the protectionist policy of the Conservative government from 1878 to 1896. The National Policy, which was expected to do great things in the development of manufacturing industries in Canada, had no place in Nova Scotia as regards the fulfilment of the promises that were made. Nova Scotia had its natural market in the United States, a market which has never been supplanted in any of the provinces of the confederation. The products of Nova Scotia are not purchased by the central provinces of Canada, but the people of Nova Scotia are compelled to purchase the manufactured products of Ontario and Quebec. The trade appears to be all going one way; the people of central Canada are sending their manufactured goods to Nova Scotia and are taking nothing but money in return.

Now, let us see how the National Policy worked out during the first ten years that it was in existence. In 1878 the Conservative party came into office on that policy, and the first census that was taken after that, embracing a ten-year period, was in 1891. If protection had worked out so advantageously to the people of Canada; if it had established a large number of factories and increased the amount of employment in those provinces, that would have been shown in the census returns. But so well was it known by the government of the day that the National Policy was a failure in these respects that instructions were sent out to the census enumerators and census commissioners in the various parts of Canada to make every effort to swell the number of manufacturing industries throughout the country. It is known that down in Nova Scotia an aged grandmother, knitting with feeble fingers by the family fireside, was set down in the census returns as a knitting factory. The woman who endeavoured to increase the family budget by taking in sewing was included in the list of proprietors of industrial establishments. A man who burned one kiln of lime for the purposes of fertilizing his own farm was set down as a manufacturer. If the National Policy has been a success, would it have been necessary to resort to this expedient of bringing about an apparent increase in the number of manufacturing establishments?

Down in Nova Scotia before the National Policy came into effect we had a considerable number of industries. In the town of New Glasgow, in the county of Pictou, there was a very prosperous glass factory which had operated for some years. The result of the

National Policy was to bring about the creation of a combine in respect of the manufacture of glass in Canada; this combine purchased the factory in New Glasgow and closed it down, and the doors have never been opened since. Before 1878 there was a large and prosperous business in the county of Pictou known as the Logan Cannery, which had carried on very successfully. It had paid dividends to its shareholders, for whom it proved to be a very profitable investment. But in 1885, five years after the National Policy got into full swing, it had to close its doors. It went into bankruptcy and took down with it in the crash the Pictou Bank, which had been a most useful and valuable financial institution in that part of Nova Scotia. There were, prior to the date which I mention, very prosperous industrial establishments of different kinds throughout Nova Scotia. In nearly every village and hamlet there was a thriving tannery, employing a few men, manufacturing leather which was sold in the markets at a profitable price. Within five or six years, or ten years at most, every one of these tanneries had closed down and no tannery is to be found in the province of Nova Scotia to-day from one end of it to the other. That is how the National Policy operated in the province of Nova Scotia, and it is not to be wondered at that the feeling in favour of protection in that province is not very strong.

Mr. SUTHERLAND: Will my hon. friend explain how the National Policy affected the tanneries? Hides are on the free list; there is no tariff against them.

Mr. KYTE: It created a combine, which squeezed the life blood out of every small tannery in Nova Scotia. Of course the hon. gentleman knows that, but he wants to hear me tell it to the House.

Mr. SUTHERLAND: How could there be a combine under the free trade which the tanneries had in regard to hides?

Mr. KYTE: We did not have free trade; we had high protection at that time. As I stated a few moments ago, they squeezed the life blood out of every tannery and no others have arisen out of the ashes since.

Mr. SUTHERLAND: There is no tariff on hides.

Mr. KYTE: No tariff on hides, but the capital that was invested in the tanneries in those days was lost and no one has since had courage enough to invest his money in another enterprise of that kind, lest the blighting influence of protection should once more overtake them.

Mr. SUTHERLAND: Was it not the need of a tariff that was the cause of all those conditions?

Mr. GRAHAM: But what about leather?

Mr. KYTE: There is only one kind of leather the hon. member for South Oxford (Mr. Sutherland) is interested in, and that is pigskin.

Mr. MEIGHEN: Is the hon. gentleman opposing the protection of coal brought down in this budget?

Mr. KYTE: My right hon. friend will hear from me on coal if he waits for a few moments. That is what I am here for.

Mr. GRAHAM: They are getting nervous, George.

Mr. KYTE: It contributes to the gaiety of the evening. Mr. Speaker, during the time the late government was in office, from 1911 to 1921, they appear to have put the soft pedal on protection. From time to time there were statements made by responsible members of that government to the effect that the time had come for a revision of the tariff, and the suggestion was never made that the revision was to be upwards; it was always to be downwards. Well, in 1920, when the present member for West York (Sir Henry Drayton) was Finance Minister, in the debate upon the budget the right hon. leader of the opposition spoke these words:

> So I say we cannot have any immoderate or high tariff for the reason, first, that it tends to exclude that healthy element of fair conditions, namely, foreign competition.

I think it was the hon. member for West York, speaking on the budget the other day, who deplored the fact that we were getting goods from foreign countries. He said there were $700,000,000 of goods being brought in here from foreign countries that ought to be excluded; but his leader in 1920 says, "You cannot have a high tariff because it tends to exclude that healthy element of fair conditions, namely foreign competition."

Mr. MEIGHEN: Who asks now for a prohibitory tariff?

Mr. KYTE: The hon. member for West York did in his speech on the budget.

Mr. McMASTER: Mr. Speaker, we are losing in this corner of the chamber the benefit of these gems of interjection. If the hon. gentleman would kindly speak louder—

Mr. MEIGHEN: I apologize, for if the hon. member is losing those, he is getting nothing else.

Mr. SPEAKER: I would ask that there be no interruptions without the consent of the hon. gentleman who has the floor.

Mr. KYTE: I shall have to begin this paragraph all over again:

So I say we cannot have any immoderate or high tariff for the reason, first, that it tends to exclude that healthy element of fair conditions, namely, foreign competition. Secondly, we have in Canada a territory of wide extent. We have a portion of Canada newer than the other portion, a more predominatingly agricultural country, newer to manufacturers and agricultural development, and consequently the advantages of tariff do not accrue as yet.

The right hon. gentleman having regard to the election that was coming on kept his eye upon the prairie west. He went on:

Upon account of these two reasons we must always have in this country nothing more than a moderate tariff under any conditions whatsoever. That will be the purpose of the revision under the principles clearly set out and enumerated by the Minister of Finance to which we adhere. On that policy I appeal to hon. gentlemen who have something great or small at stake in this Dominion, yes, I appeal to citizens, men and women, who have nothing of this world's goods at stake, whose only concern is the well being of their native land.

Not a word about high protection there, but just a moderate tariff. The hon. member for West York, then Minister of Finance, spoke as follows:

Our policy calls for a thorough revision of the tariff with a view to the adoption of such reasonable measures as are necessary to assist in providing adequate revenue, to stabilize legitimate industries and to encourage the establishment of new industries essential to the proper economic development of the nation, to develop to the fullest extent our natural resources, to specially promote and increase trade with the Mother Country and sister dominions, to prevent the abuse of the tariff for the exploitation of the consumer. As a means of raising revenue the tariff should be so adjusted as to place the chief burden on those best able to bear it. Articles of luxury should be heavily taxed through the imposition of customs and excise rates.

Real Liberal doctrine, which he forgot after.

Sir HENRY DRAYTON: Oh no.

Mr. KYTE: He went on:

Food commodities and other necessaries of life, not produced or manufactured in Canada, should, if taxed at all, bear, only such imposts as are necessary for revenue purposes.

Tariff for revenue, you will observe:

Those produced in Canada should be subjected to such customs duties only as may be necessary in the general national interest to be determined after strict investigation from time to time.

Well, on the 5th of June, 1919, Sir Thomas White, then Minister of Finance, speaking on the budget, made a promise of a general revision of the tariff, and a statement citing this promise was issued by the government on December 15, and quoted with approval by the member for West York in the speech just referred to. Then in the speech placed in the hands of His Excellency at the opening of parliament on the 14th of February, 1921, this paragraph is to be found:

My advisers are convinced of the necessity for revision of the customs tariff. In order to secure the most complete information a committee has conducted an extensive and thorough inquiry, and has secured the views of all parties and interests in every province. The hearings necessary for this purpose have now been completed, and the conclusions founded thereon will be submitted to you in due course.

Well, Mr. Speaker, I looked very carefully for the changes in the tariff which were brought down by the hon. gentleman at the same session in which that speech was read by His Excellency the Governor General, and these are the changes that I find:

Changes implementing the trade pact with the West India islands, which had been ratified by both Houses and assented to.

Changes with a view to securing a more efficient carrying out of the provisions of the dumping provisions.

A further change having regard to the valuation of goods imported from foreign countries whose currencies have greatly depreciated.

Mr. Speaker, after their boasted intention to revise the tariff, and after the expense of a tariff commission going throughout this country, the hon. member for West York, like another valiant general of whom we read in history, simply marched his army up the hill and marched them down again. The Tariff Commission of the late government in 1920 was an experiment in what is known as belling the tariff cat. The up-to-date version of a well-known household fable would run somewhat as follows: The race of hard working, industrious mice had suffered much from the depredations of the tariff cat. The cat would move secretly. It would pounce upon them and carry off their sustenance unawares. It wasn't fair. The mice resolved to consider their case. They called a meeting of the cabinet, they complained of their lot, and they abused the cat. Something had to be done; but what? Then a young mouse thought of a plan, "Let us reduce the tariff, or in other words, tie a bell on the cat. The bell will ring. It will give warning of the cat's approach. This will enable us to escape." All the mice squeaked "Hurrah!" But one mouse that had grown old during many years of nesting and dozing in the

various departments of the government objected. He asked this question, "Which of us will tie the bell on the cat?" That was a poser. The council meeting broke up. They all ran away, and nothing was done.

We hear a good deal about the business failures that resulted from the Robb tariff of 1924—that is, we hear a good deal from our Conservative friends. We do not hear very much from any person else. We do not hear anything from the financial magnates of this country charging the Robb budget with having resulted in any such disaster. I have a particular knowledge of one manufacturing concern in eastern Nova Scotia and it might be well, perhaps, for me to give a little of it to this House. There is a fertilizer plant situated in the province of Nova Scotia which enjoyed, up to a year ago, a duty of 5 per cent. When the Robb budget was before parliament in 1924, the general manager of that plant came to me and said "If this tariff goes into force and the 5 per cent protection which we have enjoyed is to be taken away, we will be obliged to close our plant." "But," I said "your plant was closed two years ago. Surely you do not claim that the closing of your plant two years ago is the result of the Robb budget which is only now before the House of Commons." He said, "It is true we closed our plant two years ago in order to get rid of our surplus products." I asked him why it was they had such a large quantity of surplus products on hand. He said "We had to compete with fertilizer manufactured in Belgium and shipped to this country." I asked him if it were possible that fertilizer could be manufactured in Belgium, shipped across the Atlantic ocean, put upon cars and distributed in eastern Canada at a rate cheaper than they could manufacture it in the province of Nova Scotia. "Well," he said, "you know it is this way. When we decided to establish our plant in Nova Scotia the British Empire Steel Corporation were manufacturing their steel by the open hearth process, the slag which is produced by that process being higher in phosphoric content than the other. After we had established our plant a few years the British Empire Steel Corporation changed their mode of manufacture from the open hearth to the Bessemer process. The result was that their slag did not have the necessary quantity of phosphoric acid in it, and it was necessary to import that element from the United States to supply the deficiency." I said "Quite possibly you failed to supply enough of the deficiency, and your fertilizer has not been as successful as it otherwise might be." I then asked him "If you had known that the British Empire Steel Corporation intended to change its method of manufacturing from the open hearth furnace to the Bessemer would you have established your plant there?" He said "No, we would not have established our plant there because it would not have paid us to do so." Then I said "You have made a mistake, you have made a wrong guess, and you want the farmers of the Maritime provinces to pay for your mistake by an increased tariff to supply the profits in respect to the investment which you have made." As a general principle I am not opposed to a reasonable duty but when the tariff is employed—

Mr. MARTELL: I ask my hon. friend this question, not for the purpose of interrupting but in order to get information: When the duty was taken off fertilizer was it not also removed from certain materials that enter into the manufacture of fertilizer? In my constituency there is one of the biggest fertilizer plants in Nova Scotia, and at the time of the proposed tariff change they feared all sorts of dire effects; but these effects have not come to pass. My hon. friend is right, the Robb budget of 1924 was in the interest of the farmers and consumers and that cannot be denied.

Mr. KYTE: That is perfectly true and I wish to add this statement: In addition to the fertilizer plant which that concern has in Nova Scotia it established a plant in the town of Welland, in the province of Ontario, a few years ago and within the last three weeks I was told that they have already booked more orders for the sale of their fertilizer in the present year than they booked in the whole of last year, showing that the Robb budget has not in any way affected their undertaking except, if anything, to increase the sales.

As I said a moment ago I do not object to a tariff which—

Mr. MEIGHEN: Would the hon. gentleman give the name of the concern he spoke of?

Mr. KYTE: I have no objection in the world. The Cross Fertilizer Company is the name it goes by in Nova Scotia, and I presume it is known by that name in Ontario. I have the statement of a gentleman who told me that they had already placed more orders this year than were placed in 1924. I was proceeding to say that on general principles I am not opposed to a certain amount of protection—

Mr. SUTHERLAND: On coal.

Mr. KYTE: If the gentleman is getting cold I will warm him up before long. I was proceeding to say when the interruption of my hon. friend from South Oxford came across the floor, that I am in favour of a moderate tariff; that I believe in free trade as a beautiful and picturesque theory but that in point of realization I have it bracketed with the millennium. I stated a moment ago that our friends opposite always endeavour to make it appear that any dulness in trade, or what they call hard times, is due entirely to the tariff. I have here a statement which was issued by the Royal Bank of Canada on January 8, 1925, and from it I read the following:

> While the year 1924 was in general one of poor business for Canada it cannot be regarded as an entirely unsatisfactory period in our business history since the foundation for a real and substantial improvement in Canadian trade was laid during the twelve months in question. The development referred to took place in the wheat market. This is the commodity which has been responsible for business depression in Canada for years past.

Our friends opposite say that the business depression is due to the Robb tariff but the Royal Bank says it is due to the price of wheat. The statement also declares:

> Most of our other leading natural industries have not been in at all a bad position. While the demand for lumber fell off during 1924, it could not be said that the lumber trade was in a state of acute depression.

I wonder, Mr. Speaker, which authority the people of Canada will be more likely to accept; the authority of great financial institutions like the Royal Bank of Canada which says our depression was due entirely to the price of wheat, or the authority of hon. friends opposite who are out of office and trying to get in.

Mr. HARRIS: Give the people a chance.

Mr. MEIGHEN: Will the hon. gentleman permit me?

Mr. KYTE: I will with pleasure.

Mr. MEIGHEN: No part of the report the hon. gentleman read said anything of the kind.

Mr. KYTE: Said anything of what?

Mr. MEIGHEN: That the depression was entirely due to the price of wheat. Let the hon. gentleman read the report through.

Mr. KYTE: I will read it again:

> This is the commodity which has been responsible for business depression in Canada for years past.

What does my right hon. friend object to?

Mr. MEIGHEN: What I say is that the Royal Bank report made no such statement as that the depression in Canada was wholly due to the price of wheat; it said quite the contrary.

Mr. JACOBS: The hon. gentleman read the report.

Mr. MEIGHEN: I have read the report and I know what it says.

Mr. KYTE: My right hon. friend is at his old tricks, and I am not unaccustomed to them either. Wherever we take up financial papers, wherever we read interviews by men who are authorities in finance we get from them the same impression: that
9 p.m. times are getting better, that money is easier, that prosperity is again coming back to Canada—that prosperity which fled from Canada during the time the right hon. gentleman and his friends were in office. The right hon. gentleman's proclamation in favour of more protection is a very courageous action on his part in view of the fact that high protection never yet won a victory in the Dominion of Canada. In 1878 Sir John A. Macdonald was very careful to say that his policy was not to increase but merely to readjust the tariff. He made that statement in the House of Commons and he repeated it during the election of 1878. In 1882, they had so little confidence in the value of the National Policy as a winner in an election that they resorted to a gerrymander of seats throughout Canada, and this contributed more than anything else to the success of their party in that election. In 1887, they still had the National Policy doing business; but it was not developing as a vote getter, so they passed the Revising Barristers' Act in 1885 which placed the revision of the electoral lists throughout Canada in the hands of their own political friends, and this gave them a tremendous advantage over the opposition party throughout the whole of this Dominion. In the election of 1891 there was no issue of protection. The issue was whether we should have reciprocity or commercial union, backed up by waving the flag with the motto "A British subject I was born and a British subject I will die." There was not much protection there, and notwithstanding that the majorities which the Conservatives won in the general elections of 1878 and 1886 dwindled with every succeeding election, so that in 1891 they were reduced to a paltry majority of twenty and in 1896 they went out of office. Therefore, I say that my right hon. friend is very courageous if he thinks that a policy of protection is going to

carry in Canada to-day when it never succeeded in winning an election before. Our friends opposed reciprocity which was the only salvation for eastern Canada and for western Canada. They stated that it was most unpatriotic to have our freight going north and south instead of east and west. We must ship our goods through Canadian ports to England! We must not sell to the Yankees! But what did they do themselves? They were not in power very long when, by order in council, they put into operation piecemeal the leading provisions of the reciprocity pact. On the 16th April, 1917, by an order in council, they put wheat, wheat flour and semolina upon the free list.

Mr. SPENCE: That was in war time.

Mr. KYTE: Yes, and they remained upon the free list until the Republican party wiped out their end of the reciprocity, and then it failed.

Wheat, wheat flour, potatoes, when imported from a country which does not impose a customs duty on like products grown or manufactured in Canada, were made free by act of parliament on the 6th June, 1919. They were very anxious that there should be no shipping of our products to the United States in 1911; but in 1917, 1918 and 1919, as the election approached, with an eye to the western farmer and the Progressive movement in the west, they thought it would not be a bad thing after all to do a little in the way of reciprocity for them.

I come to the question of the coal duties, and it might be well, by way of preliminary, to give a short summary of the history of coal duties in this country. In 1879, an act was passed imposing a duty of fifty cents per ton on coal of all kinds, regardless of price or quality. A year later the duty on bituminous coal was raised to sixty cents per ton. In 1887 anthracite coal was made free, the duty on bituminous coal remaining as before at sixty cents per ton. In 1894 the customs tariff was consolidated and it contained the following items:

Coal, bituminous, 60 cents per ton; coal dust n.e.s., 20 per cent ad valorem; coal, anthracite and anthracite dust, free.

In 1897 the tariff was revised and the schedule relating to coal was as follows:

Coal, bituminous, such as will pass through a half-inch screen, 20 per cent ad valorem but not to exceed 13 cents per ton; coal, bituminous, round and run of mine and coal, n.e.s., 53 cents per ton; coal, anthracite and anthracite dust, free.

In the session of 1906-07 the tariff was again revised giving effect to the following rates:

[Mr. Kyte.]

Coal, anthracite and anthracite dust and coke, free; coal, bituminous, such as will pass through a three-quarter inch screen, 10 cents preferential, 12 cents intermediate, 14 cents general; coal, bituminous, round and run of mine and coal n.e.s., 35 cents preferential, 45 cents intermediate, 53 cents general.

In 1923 lignite was included in item 586 and made free of duty. That is the history of the changes in the tariff on coal prior to the present time. Hon. members will observe that the duty upon slack coal was made fourteen cents per ton whereas the duty upon round coal was reduced from sixty to fifty-three cents per ton.

The duties have remained in that position up to the present time. I was a member of and I accompanied a delegation from Nova Scotia which appeared before the government in the month of December last asking for an increase in the duty on slack coal. I have been assailed on many sides on account of this, and even my gallant and genial friend the hon. member for Kingston (Mr. Ross) shied a pebble at my emaciated person during the debate on the Address. I have nothing to apologize for with respect to my attitude upon that question. When the duty upon round coal was fixed at fifty-three cents and the duty upon slack coal was fixed at fourteen cents a ton, there was no demand for slack coal. It was a waste product for the coal operators. In recent years, owing to changes in the system of using coal, in the manufacture of boilers and in the grates, slack coal is now used more largely in some instances than run-of-mine coal. Is there, therefore, any justification for maintaining a duty of fifty-three cents per ton upon round coal and having a duty of fourteen cents per ton upon another class of coal which is equally valuable for industrial purposes? You might as well, with respect to the tariff on boots and shoes, have a tariff of twenty-five per cent upon boots and a tariff of five per cent upon shoes. Any hon. gentleman would appreciate how absurd that would be, but it is no more absurd than the idea of maintaining different duties upon these two classes of coal. I desire also to point out to the House that slack coal is not used for domestic purposes. It is used entirely for industrial purposes. The present tariff changes reduce the duty upon round coal to the domestic consumer at the same time that they increase the duty upon slack coal for the person who requires it for indusrial purposes. When the hon. member for Brome (Mr. McMaster) was speaking upon the budget, he referred to his adherence to a policy of free trade, but he said that he was willing to run a coach and four through his economic theories if by so doing he was relieving distress and unemployment in the coal districts of

Nova Scotia. That is a very commendable utterance for the hon. gentleman to make, because I know how dear to his heart is the theory of free trade which he has espoused in season and out of season in this House. But let me assure him that the increase in the duty on slack coal from fourteen to fifty cents a ton will do the very thing that he feels ought to be done in the interest of the coal miners of Nova Scotia. It will mean an additional sale of 500,000 tons of coal by the coal operators of Nova Scotia, and it would provide employment for the miners of the province to that extent.

There is another consideration to which I desire to call attention. In the past the coal miners were paid the same price for taking out a ton of slack coal as for a ton of round coal, and it costs as much to carry on the operations in connection with the slack coal as it does in the case of round coal. If a ton of slack coal is to be moved on the railways the freight is just as much as it is for the carriage of round coal. Should this tariff go into effect and the coal companies of Nova Scotia have an additional market of 500,000 tons for their soft coal, it will mean in all probability that the price of round coal to the domestic consumer will be reduced. Up to the present time the cost of mining the slack coal, for which there is no market, is charged up against the round coal, so that the profits on the sale of round coal are very much less than they would be if the slack coal were sold at the rate which it is hoped will prevail.

Before leaving this subject I want to say something with reference to the actual amount in the way of ad valorem duty which is represented by this increase on slack coal from 14 cents to 50 cents a ton. The average value for duty of slack coal imported into Canada in the year 1923 was $3.63 a ton, and a duty of 50 cents a ton on that in that year would have been at the rate of 13.77 per cent ad valorem. While the Minister of Agriculture (Mr. Motherwell) was speaking on the budget a couple of weeks ago the hon. member for Springfield (Mr. Hoey) interjected a remark to the effect that the proposed duty was equal to 50 per cent on slack coal. The hon. member had in mind of course the selling price of coal at the mine, which is about $1 a ton, and in that view of the matter his statement would be correct. But that is not the price on which the tariff is calculated; it is calculated on the average value of slack coal consumed in the United States. And in the year 1923 that value was, as I have said, $3.63 a ton, so that a duty of 50 cents a ton would have been at the rate of 13.77 per cent ad valorem.

Sir HENRY DRAYTON: Will the hon. member give the House the source of those figures; the figures I have show a different result as to the cost of slack coal in the United States?

Mr. KYTE: I got them from the Department of Trade and Commerce and made the calculation myself.

Sir HENRY DRAYTON: Perhaps the hon. gentleman would not mind giving them to Hansard.

Mr. KYTE: I am giving them to Hansard now.

Sir HENRY DRAYTON: The hon. member is giving just the results.

Mr. KYTE: That is all I have; I do not propose to carry around with me the whole contents of the statistical branch of the Department of Trade and Commerce. I got the figures and made my own calculation, and that is what I presume the hon. member would do himself.

Sir HENRY DRAYTON: Perhaps my hon. friend would give us at least the bases of his calculation; that is all.

Mr. KYTE: I am giving the figures I have worked out and if the hon. member can controvert them he is at liberty to do so. In the year 1924 the average value for duty was $2.34 and a duty of 50 cents a ton would have worked out at the rate of 21.36 per cent. But as against this it should be noted that in the same years if the duty on run of mine had been only 50 cents a ton the relative ad valorem rates would have been 12.75 per cent and 16.77 per cent respectively. The whole trend of argument in favour of the adjustment of the duty on slack coal is to show that slack coal is now practically taking the place of run of mine for many purposes, and for that reason it should not be admitted at a lower duty, either specific or ad valorem than run of mine. From this point of view the protective effect of a 50 cent duty would be about from 12 to 15 per cent ad valorem. Another point that should not be lost sight of is this, that it costs just as much to produce and transport to market slack coal as it does the other kind. The Nova Scotia miner gets exactly the same amount, whether his output consists of slack coal or of mixed coal. In some places this is not the case and the miner does not get anything for the slack coal he produces. For the protection of the miner in Canada the advance in the duty on slack coal is imperative.

In the course of an excellent speech on the budget the other evening the hon. member for Brome (Mr. McMaster) asked whether it would not be better for the coal industry of Nova Scotia to have reciprocity in coal with the United States and seek in the New England states a market for our coal. Of course, in order to have reciprocity in coal with the United States all we have to do is to take off the duty on the United States coal. These are the reasons I would suggest as making it quite impossible for the Nova Scotia coal operator to sell his coal in the New England market at the present time: The coal trade of Boston and New England has in recent years been revolutionized by important developments in the mining and transportation of coal. The conditions which formerly existed have entirely changed and the ability of the Nova Scotia collieries to find a market there has steadily decreased. Developments have been general but are most marked in the West Virginia coal-fields whose products reach the seaboard at about the same distance from Boston as Louisburg. By the construction and equipment of railways, steamers, loading and discharging plants and other transportation facilities of the most modern and economical type, at an enormous cost, the West Virginia mines have gained a strong hold on the New England market. These developments still continue and the cost of production and transportation may be further lessened. The consolidation of the New England railways has also affected the situation. Their enormous trade of 5,000,000 tons a year all goes into American channels, and so far as the supply of coal by rail is concerned, their influence cannot but be entirely in favour of American coal. There can be no assurance of permanence in any arrangements for reciprocity which would be dependent on the attitude of congress and might change at every presidential election. Lack of permanence would affect the installation of facilities for handling coal, without which the Nova Scotia collieries could not hope to enter the New England market. Wharves, discharging plants and railway connections would involve a heavy investment of capital, which would be imprudent under a terminable arrangement, even if other conditions justified it. It must be expected that American competitors would join with the railways and others to hold the home market: such an alliance would be more effective now than at any time in the history of the trade. The mere removal of the duty would not place us on equal terms with the United States. Our product would have to compete in a foreign market, with everyone who could be moved by patriotic local or interested motives against us. The cost of mining in the United States as compared with that in Nova Scotia is much lower; their standard of living in Nova Scotia is higher and the provisions for their safety and comfort are far beyond what is customary in the United States. The mining laws of Nova Scotia are as advanced in this respect as those of any country in the world, and it costs the coal companies of the province very much more money to operate their mines owing to this higher cost than it does in the United States. These are the reasons why it is not possible for us to put our coal in the New England market at the present time. As I pointed out a moment ago, any reciprocity arrangement would be only temporary because it might be abrogated at any presidential election, and if the coal companies were to establish proper landing facilities for their coal in the New England cities it would involve an enormous expenditure for that development, which expenditure would be lost as soon as the reciprocity arrangement was terminated.

Now, Sir, I have no desire to say anything further upon that subject. I intended to point out that high protection does not suit Nova Scotia; as a matter of fact there is a very decided and unanimous revolt in the province against any high tariff. In the days of Sir John A. Macdonald, his policy and the policy for which the Conservative party stood all over Canada was epitomized in the magical letters, N.P.; they were the symbol, crest and slogan of the predecessors of hon. gentlemen opposite. But in one important province at least at the present time N.P. stands for "No party." Down in Nova Scotia, in preparation for the provincial election which is now imminent, the local Conservatives have disassociated themselves entirely from the right hon. leader of the opposition (Mr. Meighen), they have thrown the traditional policies of the Conservative party overboard into the swirling current as so much useless and dangerous dunnage in their frantic effort to reach the snug harbour of office. Their battle cry is "The no party forever!"

Having disposed of the tariff in so far as I have had time to deal with it, I purpose discussing one other subject before I resume my seat. A few days ago when the hon. member for Fort William and Rainy River (Mr. Manion) spoke on the budget he went out of his way to make an attack on the hon. member for Last Mountain (Mr. Johnston) on his appointment as a commissioner

to the Wembley exhibition. The hon. member denounced this expenditure of money as being "most disgraceful." He said that the member for Last Mountain had profited by the vote, and that he had no doubt whatever that that gentleman had engineered the whole thing. Now, I desire to say that the hon. member for Fort William and Rainy River was absolutely unfair; there was not the slightest justification for his insinuation. As a matter of fact I was the first of the party whips who knew anything about the proposal of the government to send a commission to Wembley. I knew of it for about three weeks before I communicated the information, and at the same time as I communicated it to the hon. member for Last Mountain, the Progressive whip, I also communicated it to the hon. member for South Simcoe (Mr. Boys), the Conservative whip. The hon. member for Last Mountain, as of course everyone knows, had nothing whatever to do with the "engineering" of the vote, and it only shows how reckless the hon. member for Fort William and Rainy River was when he made the statement. As to the hon. member for Last Mountain being influenced by his appointment as a commissioner to the Wembley exhibition, if an hon. member of this House deserts the political party which he has supported all his life when he finds it in opposition and joins the party in power, it is perfectly proper to inquire what motives may have operated in bringing about the change. But that is not the case of the hon. member for Last Mountain, however it may be of others. He was nominated and elected in 1917 as a supporter of the Union government, and he gave loyal support to that government until the war was over. Then what did he do? He deserted the patronage and the fleshpots of the Union government and took his seat with the opposition, and there he has remained ever since. In 1921 he was nominated and elected as a member of the very large and influential political group from western Canada, and he has maintained a position of independence towards the government, in that respect being in the same position with his leader and with the whole group of Progressive members. I repeat, there is no justification for insinuating that the member for Last Mountain was influenced by his appointment. But the hon. member for Fort William and Rainy River, speaking in the debate on the Address, used similar language, he said, "I regard that vote as the most disgraceful expenditure that was ever made in the history of Canada, and I have said so upon the stump." It is apparent that the hon. member is making that an issue in the country. Well, Mr. Speaker, there is no person who knows as well as the hon. member himself the size of the issue that best befits him. In former years I knew several well-intentioned and highly respected members of the House, since passed away, who for some reason or other could never rise above the consideration of the number of saucers that were broken and replaced at Rideau Hall. We seem destined to have that class of politician with us always. The hon. member for Fort William and Rainy River is making this expenditure an issue, it is to be the piece de resistance of the Conservative party in the next election campaign. Well, that is different from the issues that we had a few years ago with regard to wasteful expenditure of money. Is it not an astonishing fact that while we are now in the fourth session of this parliament our friends opposite, including the hon. member for Fort William and Rainy River, although they actually believe this is the last session and that we are going to have an election, yet they have never called the Public Accounts committee once to investigate any expenditure of this government? Did such a thing ever happen before? Never. Just after a new government had got well seated in office, when the first report of the Auditor General showing the expenditure of money under it was submitted to parliament, a meeting of the Public Accounts committee was had, members of the opposition called for papers, these were presented to the committee, and day after day investigations were held for the purpose or in the hope of establishing some wrongful payment on the part of the government. Our friends opposite have abdicated that function as members of the opposition. And they are justified in doing so, because they very well know that there has been no wrongful expenditure by this government. This being so, they are seizing upon the expenditure of $4,200, paid to the commissioners to the Wembley exhibition, as the great scandal of the administration! In other words, the hon. gentleman from Fort William and Rainy River finds fault because the three whips, being members of parliament, were given, as he says, a free trip to England. Is that the first time that members of parliament were given a free trip across? Why, between 1912 and 1921 members of the government and members of parliament supporting the government crossed and recrossed the ocean at the public expense with the continuous rapidity of a shuttle through a loom.

There can be only two grounds for criticizing this expenditure: first that the expenditure was out of proportion to the value of the services rendered, and second, that there is no precedent in our political history for appointing members to go on a mission of that kind. Well, let us examine into both of these.

In 1911, when the government of Sir Wilfrid Laurier was in office, it was decided to send a parliamentary delegation over to England. That delegation consisted of eighteen members, five Conservative members from the House of Commons, and, I believe, two Conservative senators, making seven, and the remainder consisting of Liberal members and Liberal senators. No official invitation came from England for a delegation to go over, such as came to the right hon. Prime Minister (Mr. Mackenzie King) with regard to the sending of a delegation to Wembley last year. There was merely an invitation of a committee of the members of the British House of Commons suggesting that it would be desirable that a delegation be sent over to England. Both political leaders agreed that it was the proper thing to do. A vote was passed through the House of Commons to defray the expenses. Each member was allowed the sum of $1,000, and as Sir Wilfrid Laurier, Sir Frederick Borden and Mr. Brodeur, the Minister of Marine and Fisheries, had been invited to attend the Imperial conference, they also accompanied the delegation, and an amount of $2,000 to defray the expenses of each was also voted on that occasion. We all know that the value of the dollar in 1911 was very much greater than the value of the dollar in 1924, and I say that $1,000 voted to each member of the delegation to which I refer in 1911 was greater in value than the $1,400 voted to pay the expenses of the delegates to Wembley last year.

But, Mr. Speaker, there were other members of parliament who went over to England. Let us come down to a later period in our history. There have been, as I stated a moment ago, various excursions over to England and Europe on the part of our Conservative friends within recent years. I have here a list of some of the excursions and the amount of money which they cost to the people of Canada. In 1920 the member for South Wellington (Mr. Guthrie) took a trip to England, and his expenses charged up to the government amounted to $9,400. Think of it; three commissioners appointed by this government to go to Wembley last year were given the paltry allowance of $1,400 each; the member for South Wellington goes to England in 1920, and the cost to the country is over $9,000. What does the hon. member for Fort William and Rainy River (Mr. Manion) think of that expenditure of $9,400 on the part of his former colleague in the government?

Sir HENRY DRAYTON: Perhaps, Mr. Speaker, the hon. gentleman would not mind telling us what business the member for South Wellington went over on, how long he was there, and by how many people he was accompanied?

Mr. KYTE: I do not think anybody knows what business he was on.

Sir HENRY DRAYTON: Mr. Speaker, I am sure—

Mr. KYTE: I do not care what business he was on, he could not eat up $9,400 properly on any such trip.

Sir HENRY DRAYTON: I am sure the entire absence in this case of my hon. friend's usual fairness does not alter the facts. It is well known what the business was.

Mr. KYTE: Assuming he was on public business, I may point out that Sir Wilfrid Laurier went over there on public business in 1911—to attend the Imperial conference, in fact—and his trip cost the country $2,000. Even if we recognize the greater value of money in 1911 by doubling that amount and calling it $4,000, the member for South Wellington is still $5,400 ahead of Sir Wilfrid Laurier in the matter of expenses.

But while the member for South Wellington was the master spendthrift, there appear to have been other prodigals who were a good second. The Hon. P. E. Blondin, a member of the Senate, went over in 1920, to attend, I understand, a postal convention in Madrid. I may say in passing that it is rather unusual for the Postmaster General to attend a convention of that kind; it is generally left to his officials. There was a postal convention in Stockholm last year, but the present Postmaster General (Mr. Murphy) did not attend; he sent his officials there and they alone charged their expenses to the country. Well, when Mr. Blondin went over in 1920 he took with him Mr. Lelievre, not as secretary but as "special attaché"; also one departmental officer. Their business kept them there five weeks, and the cost to the country was $9,319.09, of which Mr. Blondin "blew in" $5,800 himself. I stated a moment ago that there was a postal convention in Berne last year. The Postmaster General himself did not go, but four departmental officers went. They were there three months and a half, and alto-

gether they spent $10,092, just about the same as Senator Blondin paid for his own expenses and those of his attaché and one departmental officer for five weeks.

I have a list of others who travelled over to England at the expense of the country, but I refrain from giving them.

Some hon. MEMBERS: Give us the list.

Mr. KYTE: No, I refrain from giving them; there may be reasons why these gentlemen incurred the expenses which they did. But I wish to call attention to another item I find here with respect to the member for South Wellington. He went to England in 1920 and he spent $9,400; he stayed home in 1921 and it cost the country $4,000 besides his salary.

I have discussed the matter from the point of view of comparisons. How does the expenditure of $4,200 for three members of this parliament to go to England and back compare with the expenditure of $9,400 for the member for South Wellington, and $5,800 by Senator Blondin? I think I have established the case on the ground of comparison. But I have another defence to make, on the ground of precedent. It is not the first time a government has appointed representatives of the House of Commons as honorary commissioners to attend an exhibition. Perhaps the hon. member for Fort William and Rainy River thought there was no precedent and that is why he felt the expenditure was unjustified; I have no doubt that had he known what he will know before I sit down he would never have made the charges that he did in this connection.

In 1893 there was an exhibition in the city of Chicago, known as the Chicago World's Fair. In the session of 1893 a proposal was made by the then government to appoint two honorary commissioners, one from the House of Commons and one from the Senate, to be sent to Chicago, in addition, of course, to the other officials and representatives of Canada and of the government who were there. The question came up as to what would be a reasonable amount to pay these commissioners, and Sir Richard Cartwright, that sturdy champion of economy in public expenditure said, "In a matter of this kind we will not carp at any reasonable expenditure." How different from the attitude of hon. gentlemen to-day who are not notorious for their own economy in respect of public expenditure. Well, Sir, there was one gentleman appointed from the House of Commons, Mr. George R. R. Cockburn M.P. representing one of the Toronto constituencies. He was appointed as an honorary commissioner.

Mr. ARCHAMBAULT: Was he a friend of the government?

Mr. KYTE: He was a supporter of the government. I have not been able to find the name of the senator who was appointed. He was a Conservative senator, but I have not had time to investigate his record and the extent of his expenditure. One would imagine that it would not have cost very much for a member to have travelled from Toronto to the city of Chicago, particularly when he had a pass to the international boundary, and having regard to the fact that the cost of living in 1893 did not approach the cost of living in 1924. In view of these circumstances one would imagine that one commissioner would not have cost the country very much, but what did he cost the country? Mr. George R. R. Cockburn cost the country $4,425. The whole three of us, the member for Last Mountain (Mr. Johnston), the member for Beauharnois (Mr. Papineau), and myself went to England and we paid our transportation, water and rail, we stayed there six weeks, and we were paid $1,400. The late Mr. Cockburn goes to Chicago, he has little or no transportation to pay, less than $100 would have paid it, the cost of living then was very much less, and he gets away with $4,425. Let us see how the account was made up. I have here an itemized statement of the account. If you have tears, prepare to shed them now.

There is $1,104 he does not account for at all by way of voucher. He simply puts it in as a lump sum. Then the vouchers come in:

G. R. R. Cockburn, Esq.,
To Hotel Cadillac, Dr.

Detroit, Mich., 11th September, 1893.

1½ days at $11	$16 50
Bar	2 25
Livery	3 00
Cab	2 70
Cleaning shoes	20
	$24 65

Mr. G. R. R. Cockburn, Dr.,
The Virginia Hotel, Chicago.

2nd November, 1893.

To Cash paid cabman	50
Newstand	10
	60

Apparently he did not read newspapers when he was in Toronto.

Mr. G. R. R. Cockburn, Dr.,
The Virginia Hotel, Chicago.

2nd November, 1893.

To Board, 4½ days	$72 00
Extra meals, wines and liquors	2 90
Laundry	3 75
Livery	75
	$79 40

Mr. G. R. R. Cockburn, Dr.,
The Virginia Hotel, Chicago.

28th October, 1893.

To Telegram..	$ 1 62
Shoes blacked..	60
C.O.D...	30
	$ 2 52

Mr. G. R. R. Cockburn, Dr.,
The Virginia Hotel, Chicago.

28th October, 1893.

To Board for 1 week..	$112 00
Extra meals, wines and liquors ((including $5.80 for lunches for Pavilion)..	33 20
Laundry..	5 91
Livery..	13 00
	$164 11

Mr. G. R. R. Cockburn, Dr.,
The Virginia Hotel, Chicago.

21st October, 1893.

To Shoes blacked..	$ 0 50
Cash paid for cab..	2 00
Drugs, 50 cents and 50 cents; telegrams. 55 cents..	1 55
	4 05
Drugs..	1 00
	$ 3 05

I suppose if the hon. member for Fort William and Rainy River (Mr. Manion) were in my place, with that kindly humour of his he would probably suggest that the drugs were required for the morning after. To continue:

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

21st October, 1893.

To Board from 10-14 to 10-21, 7 days at $16..	$112 00
Extra meals, wines and liquors..	5 80
Laundry..	5 50
Livery..	16 50
	$139 80

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

14thOctober, 1893.

To Express charges, 25c.; drugs, 40c. and 35c.	$1 00
Paid cabman, 50c. and 75c., 50c. and $1.50..	3 25
Order for salmon, 75c.; messenger, 25c... ..	1 00
Theatre tickets, $9.75; shoes blacked, 50c..	10 25
Telegram, 40c., C.O.D., Fields, $1.20.. ..	1 60
	17 10
	10 50
	$ 6 60

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

14th October, 1893.

To Board from 9-30 to 10-14, 2 weeks..	$224 00
Extra meals, wines and liquors..	61 10
Laundry, including borrowed table linen and washing it..	18 10
Livery..	25 50
News-stand account..	0 23
	$228 93

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

30th September, 1893.

To Orders for chicken, etc., for Pavillon.. ..	$ 5 75
Shoes blacked..	1 00
Telegram, 86c. and 50c..	1 36
C.O.D., Fields..	0 75
Messenger..	0 50
Cab..	1 25
	10 61

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

30th September, 1893.

To Board from 9-23 to 9-30, 1 week..	$112 00
Extra meals, wines and liquors..	14 50
Laundry..	0 67
Livery..	6 25
	$113 42

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

23rd September, 1893.

To Shoes blackened..	$1 00
Express..	0 25
C.O.D...	0 50
	$1 75

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

16th September, 1893.

To Cash paid C.O.D., $4.90 and 40c..	$ 5 30
" advanced..	5 00
" paid on shoes blackened..	1 00
	$11 30
Returned..	5 00
	$ 6 30

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

23rd September, 1893.

To Board from 9-16 to 9-23, 1 week..	$112 00
Extra wines, meals and liquors..	23 00
Laundry..	6 70
Livery..	11 25
	$152 95

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

9th September, 1893.

To Board from 9-2 to 9-9, 1 week at $16..	$112 00
Extra wines, meals and liquors..	17 00
Laundry..	1 30
Livery..	6 25
	$136 55

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

16 September, 1893.

To Board from 9-8 to 9-16, 1 week..	$112 00
Extra meals, wines and liquors..	14 90
Laundry..	1 75
Livery..	17 25
	$145 90

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
9th September, 1893.

To Shoes blackened	$ 1 00
Messenger	0 45
Cash returned	25 00
	$26 45

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
2nd September, 1893.

To Board from 8-26 to 9-27 days (2) at $16	$112 00
Extra meals, wines and liquors	5 70
Laundry	0 90
Livery	1 00
News-stand	0 60
	$120 20

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
26th August, 1893.

Cash paid for shoe blacking	$1 20

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
26th August, 1893.

To Board from 8-10 to 8-26, 1 week at $16	$112 00
Extra wines, liquors and meals	15 30
Laundry	1 55
Livery	12 25
	$141 10

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
19th August, 1893

To cash paid for blacking shoes	$2 80

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
19th August, 1893.

To Board from 8-5 to 8-11, 6 days at $20	$120 00
" 8-11 to 8-19, 8 days at $16	128 00
Extra wines, meals and liquors	29 20
Laundry	2 60
Livery	12 50
Telegram and postage	0 64
	$292 94

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
5th August, 1893.

To cash paid for shoe blacking	$0 40
" " C.O.D., M. Field	0 60
	$1 00

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
5th August, 1893.

To Board from 7-29 to 8-5, 1 week	$140 00
Extra meals, wines and liquors	10 75
Laundry	2 20
Livery	14 00
	$166 95

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
29th July, 1893.

To paid porter for shoe blacking	$1 10

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
29th July, 1893.

To Board from 7-22 to 7-29, 1 week at $20	$140 00
Extra meals, wines and liquors	13 25
Laundry	2 05
Livery	10 00
	$165 30

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
22nd July, 1893.

To Porter's charges on shoes	$1 50
Cash paid for cabman	1 50
" C.O.D.	0 45
	$3 45
	0 45
	$3 00

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
22nd July, 1893.

To Board from 7-15 to 7-22, 7 days at $20	$140 00
Extra meals, wines and liquors	14 50
Laundry	3 75
Livery	3 50
	$161 75

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
15th July, 1893.

To Porter's charges on shoes	$0 90

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
15th July, 1893.

To Board from 7-8 to 7-15, 1 week at $20	$140 00
Extra meals, wines and liquors	33 20
Laundry	1 65
Livery	5 00
Cash to have hat pressed	1 25
" paid for flowers	3 80
" " news-stand	0 50
" " cabman	1 25
	$186 65

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
8th July, 1893.

Porter's charges on shoes	$0 90

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.
8th July, 1893.

To Board from 7-1 to 7-8, 7 days at $20	$140 00
Extra meals, wines and liquors	46 35
Laundry	2 20
Livery	3 50
Drug bill	0 75
Cash paid for cab and flowers	2 75
	$195 55
	0 75
	$194 80

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

1st July, 1893.

Porter's charges on shoes..	$0 90

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

1st July, 1893.

To Board from 6-24 to 7-1, 7 days at $20..	$140 00
Extra meals, wines and liquors..	25 30
Laundry..	6 40
Livery..	11 00
Messenger..	0 20
	$181 90

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

24th June, 1893.

To Porter's charges on shoes..	$3 10

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

24th June, 1893.

To Board from 6-10 to 6-24, 14 days at $20.	$280 00
Extra meals, wines and liquors..	30 20
Laundry..	9 65
Livery..	7 00
Drug bill..	0 40
	$327 25
Less..	0 40
	$326 85

Mr. G. R. R. Cockburn, Dr.
The Virginia Hotel, Chicago.

27th May 1893.

To Board from 5-22 to 5-27, 4½ days..	$27 00
Wines and liquors..	1 50
Order for milk crackers..	0 25
Shoes blackened..	0 20
	$28 95
Luncheon..	1 00
Luggage..	0 75
	$30 70

This makes in all a total of $4,425. Now, as I said a moment ago, having regard to the difference in the value of money to-day as compared with 1893, that expenditure would represent to-day a cost to the country of $9,000, and I have not yet learned of the Conservative senator who accompanied Mr. Cockburn as joint-commissioner to Chicago. In looking up Hansard I discovered that in 1894 an hon. member of the House asked a question of the government as to the number of persons sent by the government to Chicago in connection with the World's Fair, their wages, and the total expenditure of each. The minister of the day asked to have the question changed into an order for return, which suggests that the list must have been a particularly tidy one. So in 1894 an order for this return was passed by the House early in the session. It was not brought down, and the request was repeated at least ten times during the session. Each time the minister in charge said "We are having it attended to, it will be brought down shortly". It was not brought down in 1894. In the session of 1895 the member renewed his request for the return, and the minister made the same reply "We will have it attended to at once and it will be brought down." It was not brought down, and although the same member asked for it a dozen times in that session his request was not complied with. In 1896 the request was renewed. The minister said "I am having it attended to, it will be brought down in a few days." It was not brought down. The request was renewed a dozen times, but the government went out of office, and the return has not been brought down yet. I am sure, Mr. Speaker, it would be a very interesting document if it is along the lines of Mr. Cockburn's expense account. However, I am going to get that return if I have to employ the services of a Pinkerton detective. I want to have it for the next time the hon. member for Fort William and Rainy River (Mr. Manion) turns handsprings and somersaults in anger over the disgraceful expenditure, as he calls it, of $1,400 each for three Canadian commissioners at the Wembley exhibition.

Mr. A. B. HUNT (Compton): Mr. Speaker, in rising to offer a few remarks on the budget, I congratulate the government upon the fine showing it has made in presenting a financial statement disclosing a surplus of about $2,000,000 instead of a deficit. I also wish to congratulate the Acting Minister of Finance upon the able manner in which he delivered the budget.

I would not have spoken in this debate had it not been for the Petersen contract which the government has brought before the House for consideration. I feel that it is the duty of every member to assist the government in every way to break the steamship combine which now exists. There is no question but that a combine does exist; it is admitted by both sides of the House. This combine is asking exorbitant prices for shipping cattle and various commodities from Montreal to Liverpool. It is killing the trade of our country, ruining our farmers in every section of Canada, and discriminating against us by giving better freight rates to the United States, to the great detriment of the Canadian people. The combine at one time carried flour from the port of New York at three cents per hundredweight less than from the port of Montreal, although the latter port is 500 miles nearer the overseas market. I

understand however, that since an investigation was commenced by the government they have changed their rate and are now carrying flour from Montreal at the same price.

It is not a new question. The subject has been before every government for the last fifteen years but no administration had the courage to undertake to break this combine, until the present government took the matter in hand. Now that it has done so every assistance should be given it in the great work it has undertaken. There
10 p.m. is no doubt it will be a great fight, and for that reason, I want to offer my undivided support to the government. The government has to choose between two alternatives. Either it must give the combine full control over Canada and thus ruin the farmers who represent 65 per cent of the population of Canada, or force the combine to carry freight at a reasonable price. When reciprocity was defeated, it proved disastrous to Canada and brought about the ruin of many farmers in the province of Quebec, because congress promptly enacted the Fordney tariff which prohibited the export of our cattle into the United States, our natural market. Previous to that all the cattle along the border could be driven across the line thus saving the payment of railway freight rates. Only a few of the farmers, however, were able to continue after the Fordney tariff came into effect. They were forced to abandon farming and take up lumbering, many having a little pulpwood on the rear of their farms which enabled them to live. But even the few who survived would be placed in peril if the recommendation to place an embargo on pulpwood were carried out. The effect would be to compel the farmer to sell his wood at a lower price thus repeating the situation created when the reciprocity arrangement was defeated. The farmers were then obliged to take a smaller price for their cattle, an amount hardly sufficient to pay for the shipment of the stock to Montreal, the only market they had. At the same time that market, which could not even consume the available eastern supply was flooded with cattle from the west.

The hon. member for Portage la Prairie (Mr. Leader) in his speech on the Petersen contract gave a comparative statement of the price paid for cattle in the United States markets and that paid in Canada, and revealing the exorbitant amount asked by the combine for overseas shipment. This statement has already been placed on Hansard, but feeling that those prices are of vital importance in connection with this controversy and that they cannot be quoted too often I will quote the hon. member's remarks on that particular point. He said:

I have secured some figures from the Bureau of Statistics relating to the cost of shipment of our cattle to the United States markets. The cost of transporting a one-thousand pound steer from Calgary to St. Paul is $7.05, and to Chicago $9.20, as against a cost of $45 per head to Liverpool; from Winnipeg to St. Paul the cost of transporting a thousand pound steer is $4.20, and to Chicago $5.85, as against $42 per head to Liverpool; or a saving in favour of the American markets of approximately $36 per steer. The following quotations from the Chicago and the Winnipeg markets, taken from the agricultural papers of February 5 will no doubt be interesting to the committee:

Comparative prices on Feb. 5, 1924, also of the different markets:

	Winnipeg	Chicago	Difference
Choice steers	$ 6 75	$12 50	$ 5 75
Prime butcher's steer	6 00	10 50	4 50
Common butcher's steers ..	4 00	9 00	5 00

	Winnipeg	Chicago	Difference
Choice feeder steers.. .. .	$ 4 75	$ 8 00	$ 3 25
Choice stockers	3 75	7 25	3 50
Butcher cows	4 00	7 50	3 50
Butcher heifers	5 00	10 50	5 50
Choice calves	8 00	14 75	6 75

The Montreal market would be about the same as Winnipeg, but it would cost about $5 extra for transportation to the above market and from Montreal to Liverpool about $20 to $25. If the combine is broken, they are bound to carry them for $10 to $15 each.

I also quote this from the statements of the hon. member for Springfield (Mr. Hoey):

About three weeks ago I was present at the annual convention of the Illinois Agricultural Association held at Champaign-Urbans where there were present about 800 delegates and 400 visitors. I was there for two days and I embraced the opportunity extended to me to interview as many of the delegates as possible, all of whom are representative farmers from that state, in an attempt to find out from them their attitude as regards the entry of Canadian cattle, that is feeder cattle to the middle west. I did not meet a single delegate who was not in favour of reducing or abolishing the duty. You may say that these men were not frank with me in view of the fact that I had gone down there on their invitation as a Canadian visitor. But in my judgment they were frank with me, because the same delegates who told me that they were in favour of the abolition of the duty on cattle also informed me that they were in favour of an immediate increase in the duty on Canadian butter. If I mistake not, that convention appointed a delegation to go from there to Washington with a demand that the duty on Canadian butter entering the United States be immediately increased. I make this statement in the hope that the minister and officials of his department are fully aware of the sentiment existing in the middle west at present with regard to the entry of our cattle into the United States. There is nothing at all selfish in the attitude of those people towards us; they are demanding our cattle to-day because

they believe they can make money on the finishing. If the agriculturists are in favour of allowing our cattle in free, surely the consumers in the United States cannot possibly be opposed to their entry. I think we might in this way obtain reciprocity piecemeal. There is a demand in western Canada, as the minister knows—

That is the Minister of Agriculture (Mr. Motherwell).

—for the entry of Wisconsin dairy cattle free, and I have often wondered whether he could not with some hope of success enter into negotiations with the powers that be at Washington and come to some agreement whereby they would allow our cattle to enter the United States free if we gave them some concession in return.

Now if the government can do anything towards getting reciprocity with the United States, I am sure the farmers will not vote against it as they did before. It was on account of the misrepresentations that were placed before the country at that time, the cry of annexation, waving the old flag, the navy, and other foolish statements, disseminated by the press and the moneyed interests among the manufacturers and the combines, that they were able to defeat reciprocity. If there is any talk of annexation at the present time, the Conservative party are to blame for it by defeating reciprocity, as that was the starting point of that cry.

The farmers in my section of the country are the best farmers in Canada They are not begging or asking for something for nothing; but they are asking for a square deal, and that they are determined to have in some way. They are not going to be held up by the great combines of this country. As I said before, if they cannot get justice, there will be no farmers, and every one will have to raise his own potatoes. Why should a farmer work fifteen hours a day, and many of them for their board? I venture to say that our farmers are not as well off as they were in 1911, the year that reciprocity was defeated The combines worked it well; the farmers listened to the high tariff cry at that time, and it has placed them in the unfortunate position in which they find themselves to-day. You will not catch them in the same trap again. The Montreal Star has been looked upon as a guide for the farmers of our country; but since the "whisper of death" and other similar statements appeared in that paper, they have lost interest in the paper, and it is high time they should because that paper is not the friend of the farmer, as he knows to-day. We in Quebec have a good farming country and the best governed province in the Dominion of Canada, and I think the other provinces are doing well by falling in line and copying our laws.

[Mr. Hunt.]

Now just a word about the tariff. We cannot get along without a tariff, but a tariff for revenue only. We have such a debt placed on this country that it is the only way we can pay off that debt. High tariff brings no results. It was said that if we reduced the tariff on the manufacture of farm machinery in 1924 it would ruin the manufacturers; but it has proven just the reverse and the year 1924 under the new tariff was the best year they have had for years. Machinery has been reduced and the manufacturers are now selling it in all parts of the world. It was selling at far too high a price in the past and that was the reason for their not selling more. Take for instance, a mowing machine that costs about $30 to make, selling for $150, a manure spreader, costing about $65 or $75 and selling for $245, and this machine used only about two weeks in the year; a sowing machine that every farmer has to have, costing about $18, selling for $85 on time and $79.20 for cash. I know of some young men starting on farms on the above prices, as that was what they had to pay, and it cost them about $1,000 to start, when $500 should have been sufficient. That is the kind of thing that is keeping our farmers back—too much difference between the cost price and the selling price. I know whereof I speak as I manufactured wagons, sleighs and other farm machinery for over twenty years, and a wagon which I sold for $50 and $60, and making a profit at that, is now selling at $125 to $160. There is no reason for such a difference in price. If it costs more to sell an article than it costs to make it, there is no common sense in selling. There are too many middlemen in the way.

I would strongly recommend that the government appoint a commission of experts on the tariff question, as there are many changes that, I think, could take place without hurting the manufacturers in any way. It is far from my intention to injure them, rather would I help them and help the country at the same time.

There is a large veneering plant in my section of the country, situated at the town of Scotstown. They are shipping their products to all parts of the world. They are asking no favours from the government; all they want is a fair deal and they are not getting it at the present time. They are shipping now to the United States, paying a duty of 20 per cent, while similar manufacturers on the other side of the line can ship into Canada without paying any duty. This is not fair to our manufacturers. What our people want is to have the discrimination removed

so as to give them a chance to ship under the same conditions as the United States, or, in other words, to have the duty raised on our side so as to make the fight a fair one. I have already taken this matter up with the Customs department with no results up to the present time. They are investigating in order to ascertain the objections before acting. I find the furniture factories and piano manufacturers are objecting to the duty being put on, and I venture to say that there are many cases of this kind. The tariff is one of the most vital questions with which we have to deal and it cannot be studied too carefully. For that reason, I would have a commission of experts appointed to study that question and to do nothing else. The tariff must not be made a political football as it is too serious a question. There is much talk now in the opposition ranks about the old National Policy. That policy would be just as far out of date now as the old stores of fifty years ago, selling the same goods as they had in their stores at that date, and I do not think there is any more chance of its restoration than there is of the old stores selling to-day the goods they had half a century ago.

Mr. N. H. McTAGGART (Maple Creek): Mr. Speaker, I should not desire to prolong this debate were it not for the fact that I find myself very much out of accord with the budget proposals of the government which are before us at the present time. To my mind, the present budget constitutes a definite challenge to the low tariff forces in the country that the protective principle has been definitely adopted by this government as the keynote of its tariff policy. The budget which is before us is the fourth which this government have brought down since they have come into office, and it is interesting to note what changes have been made during the last three years along the line of reductions in the tariff. In the first session of this parliament we were told that, this government being new in office, no changes in the tariff could be contemplated until after a thorough study of the schedules should be made. In the second session, beyond a few minor reductions in the tariff, we were informed that uncertainty with regard to the tariff was not good for business and that henceforth the policy of the government was to be along the line of tariff stability.

The third session there were fairly substantial reductions in the tariff, chiefly on agricultural implements, but the most notable feature of the third budget was the pronouncement accompanying it that the government policy contemplated a general reduction of tariffs all along the line. The budget which we have before us, and the fourth of this parliament, would seem to indicate a change of policy on the part of the government; for instead of further reductions in the tariff the present budget proposes a number of increases. The net result of three years of a tariff for revenue government is that the tariff is considerably higher at the present time than it was in 1921. I have a statement before me of the average ad valorem rate of duty on dutiable and total imports for the fiscal years 1920 to 1924 inclusive which shows that the average tariff for the last five years was as follows:

Fiscal years	Average ad valorem rate of duty on Dutiable imports per cent	Total imports per cent
1920	22.5	14.7
1921	20.6	14.1
1922	24.5	16.2
1923	24.9	16.7
1924	22.9	15.1

It may be said that those figures do not accurately reflect the true situation as regards the tariff, as the figures are compiled on the basis of averages, but at any rate these figures undoubtedly indicate the general trend of the tariff has been upward during the last three years. As a matter of fact, Mr. Speaker, I submit that the tariff schedules do not reveal the actual protection afforded by the tariff because of the operation of the special or Anti-dumping Duty Act. To my mind the special or Anti-dumping Duty Act may properly be regarded as the most wicked piece of legislation on the statute books to-day, and it is significant that this government have made no attempt to restrict its power, but have sought rather to enlarge its operation. This special act has been invoked 4,888 times during the past two years, according to a return tabled in this House a few days ago; so it is quite evident the large part it plays in the protection game as played in this country.

Now then, Mr. Speaker, if the facts are as I have stated and the amount of protection afforded by the tariff is really greater to-day than it was in 1921, we are confronted by a most remarkable situation. In the first place, there is the fact that approximately 115 members supporting the government were elected on a platform the chief planks of which emphasized the desirability of reduced tariffs. But that is not all; for in addition to the 115 there were another sixty members elected to this House who were more or less pledged to work for a reduction of tariff. This makes a total of perhaps 160 or

170 members who comprise what we should call the low tariff forces in this House, out of a total membership of 235; and notwithstanding this preponderance of low tariff views the tariff continues to grow higher and higher in every way. This very extraordinary situation has been the subject of considerable thought on my part, Mr. Speaker, and prompted me to an analysis of my own vote on previous budgets. I find that on two occasions in the life of this parliament I voted confidence in the government's promise to reduce tariffs; but if appearances be not too deceiving I am prepared to admit that perhaps I may have been flimflammed.

In all seriousness, I should like to ask: if this parliament, made up as it is of a membership three quarters of which may be expected to favour lower tariffs, can make no more progress along this line than we have done during the last three years, what is the future? Not very bright, I should say, and not very encouraging to those who seek to remove part at least of the burden resting on the exploited classes as a result of the protective tariff. This year a crown sheet is being placed in the protectionist armour of the tariff in the shape of a tariff commission, so it is abundantly apparent that this government is definitely wedded to the principle of protection. Members to the right have been making a lot of noise over the fact that a number of industries have closed their doors, and seem wholly unconscious of the fact that with increased protection there must follow decreased purchasing power and consequently more closed factories.

Then again, Mr. Speaker, members on the right tell us we should have more consideration for our own workmen than those abroad, and the way they ask us to show that consideration is by bringing the workmen from abroad to our shores. After all, what interest has the beneficiary from protection in unemployment except a desire perhaps to have reserves to draw upon to meet his needs? But the question of unemployment and closed factories in their relation to the tariff is a subject which has been worn almost threadbare during this debate, so I do not propose to dwell upon it except to say that all the wordy bickering in the world will not alter the basic fact that in Canada when agriculture is not prosperous Canada cannot be prosperous.

Reverting to the Ways and Means resolutions of the budget, Mr. Speaker, allow me to voice very strong objection to the amendment to the Special War Revenue Act 1915 defining the meaning of the word cheque:

> That "cheque" shall be further defined to include any document or writing, not drawn upon or addressed to a bank, in exchange for which a bank makes payment of a sum of money, except a coupon and a document used solely for the purpose of settling or clearing any account between banks, and that such a cheque shall be liable to the stamp tax imposed on cheques by the said act.

If this amendment be accepted by parliament it will mean that all coupons including cream checks and grain checks will be liable to the tax. In the case of grain checks the objection may not be as great, taking into account the need for revenue and the further fact that grain checks, or tickets as they are sometimes called, are usually for considerable amounts. But in the case of cream tickets, which are usually for small amounts, I feel that the government would be well advised to provide for their exemption on amounts under ten dollars. If the tax be allowed to stand it is bound to have the effect of checking and discouraging the system of mixed farming which has been making fairly satisfactory progress in the prairie provinces during the last few years.

I come now to the financial statement presented by the Acting Minister of Finance (Mr. Robb) and I want to admit at the start that I did not understand it on the day of its presentation and I am in grave doubt as to whether I understand it to-day although I have studied it some and have listened to many able reviews by the financial experts in this House.

It would seem to my simple mind that the national book-keeping should be done in such form that it might be readily understood at least by the members of this House, but the impression which I have gathered from this debate is that many of those who have spoken find themselves in the same position as I am in with regard to the national finance. To put it shortly, Mr. Speaker, we don't know where we're at. In order to show the difference of opinion among the members of this House on this question, might I read just a few excerpts from speeches delivered during this debate. I find, in the speech of the Acting Minister of Finance, at page 1470 of Hansard, the following:

> This amount is available to be applied on account of our loans to the Canadian National Railways of $18,027,000; to Canadian Government Merchant Marine of $900,000; and to the Quebec Harbour Commission of $600,000, all of which, while being assets, but for the present considered as non-active, are to be added, thereby making an increase of debt during the year of about $13,703,838.

Later on the hon. member for West York (Sir Henry Drayton) who is himself an expert on questions of finance, made the following statement on page 1479 of Hansard:

> Is it necessary for a reasonable man to go further than to point out that this company itself admits

an increase in the current year of $118,000,000, when we affirm that that debt is our debt? Who owns the company? Surely, the country. Who is responsible for it? The country. Who has to finance it? The country. Who pays the money? Again, the country.

Again on page 1568 we find the hon. member making the following statement:

I apologize, Mr. Speaker, for taking up the time of the House at such length, but my task is pretty well finished. I have already spokeu on the question of our debt, and I have pointed out the additions to it, as I see them. Again I point out that the addition of $100,000,000 is the only thing which can be deduced from my hon. friend's own figures and from the return of endorsements, if we are to be honest, unless we say, "We are not responsible for the railways, we are not responsible for our endorsations."

And the hon. member for Vancouver Centre (Mr. Stevens) at page 1656 of Hansard has this to say:

To the extent of over $600,000,000 the National Railway loans should be shown as part of the net debt of this country. They are not so shown, and we are not treating them as a part of our national obligations.

Again we find the hon. Minister of the Interior (Mr. Stewart) making the following statement at page 1676:

I do not make that claim. What I say is that in order to pay the total indebtedness of the railways, we require to raise annually $62,000,000 odd of interest. That must be raised either by the railways or by the country.

It will be noted from these more or less conflicting statements that no two of them are in agreement as to the state of the country's finances. So despairing of securing the information desired inside this House, I turned to the columns of the financial press and this, in part, is what I find in the Financial Times of March 27th:

Mr. Robb himself, after demonstrating that there was a surplus of something like two million dollars, went on to admit that, taking into account other special outlays, the public debt had been increased by thirteen million dollars. Unfortunately, it is much worse than that. It is, in truth, at least seven times worse than that.

And further on in the same article appears the following:

The true position, therefore, is that Canada's liabilities for the year have been heightened by the $13,000,000 that Mr. Robb admits, plus $81,000,000 guaranteed for the railways, plus what the railways borrowed on their own account. In other words, Canada owes far more than 100 millions above what she did one year ago.

Now I submit, Mr. Speaker, that the financial journals of this country should be able to interpret the financial statement if anyone in the country could, but it is very evident that the Times has been unable to do so with any degree of accuracy. I think the fact has been established, however, that the nation's obligations are heavier to-day than a year ago by an amount anywhere between sixty and one hundred and thirty millions of dollars, but no hint of this somewhat alarming situation is revealed in the budget. The significance of this situation should be of deep interest to the general public, but it may be that the general public will be too busy rejoicing over the 52 millions saved in taxes, as announced in the screaming head-lines in the party press, to get down to sober reflection on the unsatisfactory state of the nation's balance-sheet. It may be that the government are not wholly to blame for the unsatisfactory state of the country's finances, but at any rate it would seem to me that they are to blame for their failure to reveal what the true situation is at the present time.

But what of the future Mr. Speaker? How much longer may we expect that even the most capable of finance ministers shall be able to cope successfully with the problem of an unbalanced budget? And I wonder how many cunning new tax schemes may be added to the already overburdened consumer ere the breaking point is reached? We are all familiar with the tax on imports with its resultant restriction of trade; but this year another method of restricting trade is being thrust forward as a panacea for some of our economic ills: Not satisfied with a tax on imports to make the cost of goods higher to the consumer, we now propose to place a tax on exports so that the goods which the producer has to sell may be placed under a further handicap in the markets of the world. The present budget contemplates an export tax on power, and this I do not propose to criticize as I am not familiar with the question, but I am interested in the suggested tax on wheat. To my mind such a tax would have the effect of seriously restricting the market for Canadian wheat, with a consequent depression of prices, and would not accomplish the prevention of mixing in transit as carried on at the present time.

The trouble with nearly all of the tax schemes which are so popular with the government of the day is that in the final analysis they are carried almost wholly by the farmers and working classes, and those classes of our people are now carrying almost the maximum load which they are able to bear. But however unpopular with the masses of the people the imposition of taxes may be we must have a large annual revenue to take care of the expenses of government as well as our obligations to the bond-holding classes who grew fat during the war period. Why close our eyes

to the fact that during the war period the government's failure to adequately tax the profits derived as a result of the war had the effect of transferring to the bond-holding classes almost complete ownership and control of the implements of production? Might it not be appropriate at this time to ask how much longer the Minister of Finance can afford to ignore our billion dollars of tax-free bonds as a possible avenue of taxation? Is it not about time that we in Canada woke up to the fact that the bond-holding classes are not paying their proportionate share of the tax burden of the country? I think I recognize the difficulty which is sure to be encountered if an attempt were made to institute a levy on the tax-free bonds, but I submit, Mr. Speaker, that in these days of B.N.A. uncertainties it is doubtful if the government possessed the right to make those bonds tax-free.

At any rate Mr. Speaker, for my part, I feel quite convinced that our finance minister, or his successor, whoever he may be, must of necessity adopt one of three alternatives in his search for the necessary revenue to conduct the affairs of the country: he must increase the load on the consumer and take chances; impose some form of capital levy and take no chances; or failing this, he may be forced to the historic expedient of despairing finance ministers and inflate the currency. Now I hope, Mr. Speaker, no one will rise to accuse me of belonging to that antiquated school of thought which sees in inflation of the currency the solution of all our economic ills. I am in favour of a stabilized currency and the uniform price-level, but at the same time I am not unconscious of the fact that under present arrangements the control of the currency reposes mainly in the hands of the Minister of Finance, and I am just a bit frightened that some day he may be reduced to that attitude of despair of meeting the country's obligations, which may prompt him to resort to methods which he would be the first to decry to-day. I appreciate the ridicule which such a suggestion is sure to meet in this House at this time, but I should like to point out that inflation of the currency is becoming quite a popular topic among many of our people to-day.

We have heard not a little in this House during the last two years in regard to the control of credit, and I have noted with satisfaction that the minister has consistently refused to be impressed, but it would indeed be a cold and cheerless irony if the minister were at last compelled to adopt the expedient which he has frowned upon so diligently.

[Mr. McTaggart.]

We all recognize the fact that inflation is simply a tax on the creditor or bondholding classes in any country, but surely such an alternative would not need to be resorted to in Canada, with all its unfortunate consequences, if the bondholders could be made to see the fairness and justice of a modified form of capital levy.

We have heard something in this House about the prosperity at present enjoyed by France, and this so-called prosperity has been ascribed to the system of protection in vogue there. Well, Mr. Speaker, I submit that if France has protection it can hardly be on a very extensive scale, for she has not protected her currency and she does not propose to protect her bondholders. The Bank of France, with the approval of the government, recently inflated the currency to the extent of two billion francs, and only a few days ago the government of France met with defeat in their attempt to impose the capital levy.

I hold in my hand a copy of a despatch from a Paris newspaper to the Toronto Globe, part of which reads as follows:

> We must know if henceforth the bank note of the Bank of France is worthy of public confidence, it declares. If we can no longer believe in the loyalty, sincerity and honesty of the statements of the Bank of France, how can we trust its bank note? This is the first time in our history that the government has put into circulation illegal money, and the first time the Bank of France hid this crime by fraudulent statements. If such acts remain unpunished the credit of the Bank of France is finished.

Now, Mr. Speaker, my point is this: The situation in France is somewhat similar to the situation in Canada, in that both countries are enveloped in debt; and the Finance Minister in France was driven to the expedient of inflating the currency in a heroic effort to present a balanced budget. In Canada we have not yet reached the point where such drastic expedients may be necessary, but let us hope that our Finance Minister may scrutinize closely the urgency and wisdom of a moderate tax on capital. I should like to leave these thoughts with the Finance Minister and to express the hope that he may not discard them as being the meaningless mouthings of a calamity howler. I am not afraid of the future so far as Canada is concerned, if we can only cut out the political clap-trap and get down to the business of placing the country on its feet. But to stand complacently aboard a sinking ship and shout "calamity howler!" at the forces who are manning the pumps is not the kind of philosophy which should be popular at this time.

I realize that members to my right may not sympathize with the suggestions I have made, for they have a standard medicine for all our economic ills. With them it is protection and still more protection, regardless of the fact that protection decreases the purchasing power and that a decreased purchasing power puts an effectual brake on national development.

I should now like to turn to some of those things which are of intimate concern to the farmers in my own province. I do not propose to talk about crops or freight rates, for they have been ably dealt with by others, but I would like to suggest to the Minister of Justice (Mr. Lapointe) that he speed up the amendments to the Bankruptcy Act placing farmers on an equal basis with others in relation to the act. About a year ago we heard the minister say that he saw no reason why farmers should not have the benefit of the Bankruptcy Act on an equality with other classes of business, but at the present time it is next to impossible for a farmer to have his affairs adjusted in bankruptcy unless he has very substantial assets.

In this connection I might point out that there are many thousands of farmers on the prairies who can never be reached by any scheme of rural credits until they have an opportunity of cleaning up the slate of past misfortunes and mistakes. I hope therefore that the Minister of Justice will bestir himself in the bringing down of legislation at an early day which will place farmers on an equal basis with others in regard to the Bankruptcy Act.

Before closing, Mr. Speaker, I should like to refer to a question which should be of particular interest to the Minister of the Interior (Mr. Stewart)—I am sorry he is not in his seat. It is the question of administration of Dominion lands within the pre-emption area in Saskatchewan and Alberta. The situation with regard to those lands is becoming more and more unsatisfactory as time passes, and in saying this I do not desire to create the impression that the departmental officials are not doing their utmost to cope with the situation. But what I do say is this: During the last few years there have arisen a number of difficult problems concerning unproved Dominion lands which cannot be properly studied except at close range. Take, for instance, the question of cancellation of the outstanding obligations on pre-emptions and purchased homesteads, a proceeding, by the way, which I have recommended many times to the respectful consideration of this House. This important question, although vital to large areas in Saskatchewan and Alberta, has awakened but little interest in the department other than perhaps a mild curiosity. I venture to say, Mr. Speaker, that almost every municipal council in the area blacklisted by the department several years ago finds itself at its wit's end from time to time in trying to cope with the pre-emption and abandoned land question.

There are many other questions just as important as the one I have just mentioned, but I do not desire to detain the House longer now. I want to make a suggestion to the Minister of the Interior, however; that a board of survey be delegated to study at close range the lands in question in the pre-emption area. This board should include officials of the minister's own department as well as a resident of the district affected. In this way the expense attached to the investigation could be kept within reasonable limits. If this suggestion does not meet with the approval of the minister, perhaps he may find some other way to meet the situation. I hope he will keep in mind, however, that it is a long way from Ottawa to the third meridian—so far, indeed, that folks out there find it less irksome, sometimes, to throw up the sponge than register repeated appeals for a better understanding of their situation.

In conclusion, Mr. Speaker, allow me to suggest to the minister that the next time he visits the prairies he devote a few days to the study of the lands question in the pre-emption area and its relation to the exodus of many of our people to another clime.

On motion of Mr. McKay the debate was adjourned.

On motion of Mr. Graham the House adjourned at 10.45 p.m.

Friday, April 17, 1925

The House met at three o'clock.

REPORT

Second report of the select standing committee on Miscellaneous Private Bills.—Hon. Mr. McGiverin.

PRIVILEGE—MR. BELAND

On the Orders of the Day:

Hon. H. S. BELAND (Minister of Health): I rise to a question of privilege, or at least

to give the House a personal explanation. Last Sunday I happened to be in the city of Quebec and at the moment the train was about to leave I was met by a newspaper man whom I know very well. He asked me a few questions to which I replied. I do not expect, Mr. Speaker, that any utterances of mine will disturb to any very considerable extent the political world of Canada, but it is only reasonable to assume that an answer given to a newspaper man by a member of the government should be reported accurately. To my great surprise, yesterday and the day before, I read in certain newspapers that I had announced in the city of Quebec that a general election was going to take place next autumn and particularly in the month of October. How this came to be reported I am absolutely unable to suggest. However, I referred to the newspaper whose representative had met me and read the interview which he had had with me and I found I had been faithfully reported. But it was the very opposite of what the other newspapers made me say. In order to make this perfectly clear I shall quote about two lines from the Quebec newspaper that published the interview. That newspaper is L'Evenement and the interview in question appears in the issue of Monday, the 13th instant. I shall first read it in French and then translate it faithfully into English. The reporter amongst other questions, put the following:

"Pas nécessaire de vous demander de quel côté le vent souffle (en politique) dans votre comté?

Mais il n'y a pas d'élections générales à brève échéance en vue! Personnellement, je n'en vois pas!"

S'empressa de nous dire le ministre de la Santé.

Translated, that would read:

"It is not necessary," said the reporter, "to ask you from what side the wind blows politically in your riding."

My answer was:

But there is no general election shortly to take place. Personally I see no sign of it.

In spite of that I have read in a number of newspapers that I had made the statement that an election would take place in the month of October.

Mr. MEIGHEN: What city did this take place in?

Mr. BELAND: The good old city of Quebec.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): I wonder whether the Minister of Railways can tell us to-day anything more about the Peace river transportation question. I understand he has had an interview with the heads of the railways, and he could possibly tell us whether any recommendation has been made or whether it is impossible to come to an agreement.

Hon. GEORGE P. GRAHAM (Minister of Railways): If my hon. friend asks me whether I have learned anything, I can only say that I am learning every day something about Peace river. Yesterday I learned a good deal, and among other things both railway heads told me that the solution of the Peace river problem was one of the most difficult that either of them had ever come across in all his experience. Further than that I think I have nothing to say at present.

ST. LAWRENCE WATERWAY

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): I want to call the attention of the Prime Minister (Mr. Mackenzie King) to a passage in a letter which I have received referring to his department. It is from one of the officials of the Great Lakes and St. Lawrence Tidewater Association and I shall ask for information on the basis of this paragraph:

Some weeks ago our state department despatched to your government what seemed to close the correspondence concerning the reference of the St. Lawrence project to the International Board of Engineers. In that note, the Secretary of State deferred to Canada's wishes in the matter of the time it should be made public. It was thought, however, that it would be immediately given to the press.

Has the Prime Minister any information to give to the House in regard to the progress being made?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The department is in correspondence with Washington at the moment as to the simultaneous publication of the information in both countries. I expect this will be in another day or two.

SOLDIER SETTLEMENT LANDS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): May I ask if the government's consideration of the question of revaluation of soldiers' land, stock and equipment has yet borne fruit?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think the matter is under consideration by the Minister of Immigration and Colonization, which department is concerned with matters pertaining to

soldiers' land settlement. I understand the Minister has something that he intends to present to the House shortly. I think perhaps he had better speak for himself when he is in his seat.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Thursday, April 16, consideration of the motion of Hon. J. A. Robb, (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, in rising to take part in this debate I wish, along with other members who have spoken before me, to express my regret at the Minister of Finance (Mr. Fielding) not being able to take his seat owing to ill-health. I intend to criticize the budget that is before us, but in doing so I do not wish to align myself with any hon. member who has implied anything against the personal integrity of the Acting Minister of Finance (Mr. Robb) whom I hold in the greatest personal esteem. I do, however, criticize the drawing up of his budget statement, in that I do not think it is a correct one, I do not think it is a fair statement to place before the people. I refer particularly to what I might call the financial gymnastics which the Acting Minister of Finance has gone through with respect to the interest owing on the loans to Roumania and Greece. This interest has not been paid, but at the same time it is treated as an asset and, what is more, added to the so-called surplus, making that surplus $5,823,162. I prefer the more logical arguments of the ex-Minister of Finance (Sir Henry Drayton), which go to prove that instead of having a surplus we have a deficit of no less than $16,204,000.

There is another important side to this question, and that is, it is very misleading to the public, because if the people think there is a surplus they will naturally expect a reduction in taxation. In view of the fact that we have no surplus but a deficit, this reduction is something that cannot very well be brought about. Furthermore, however small a deficit it may be, it is a very difficult task indeed to reduce taxation under our present system. It is difficult because some of our greatest liabilities are brought about by so-called "uncontrollable expenditures." But what are these uncontrollable expenditures? Mainly they are interest on our national debt, and we are to-day paying in interest on that debt as much as it cost to run this country some eleven years ago. It is only fair that the public should know the exact state of our finances, and whoever is in charge of the finance department of the country should not hesitate to put the figures before the public and let them judge for themselves the impossibility of reducing taxation to any large extent.

Now, what is the extent of our national debt? I am going to give some figures with regard to our federal, provincial and municipal debts, taken from the Canada Gazette of December 31, 1924, and from the Canada Year Book for 1923. These are the figures:

Gross debt, Dominion..		$2,940,099,008 35
Securities guaranteed by Dominion:		
As to capital..	$423,161,713.83	
As to interest only.. .	167,349,218.72	
		590,510,932 55
		$3,530,609,940 90
Funded and floating debt of provinces, including guaranteed securities, but excluding sinking funds..		697,785,627 00
Funded and floating debt of municipalities of 1,000 to 10,000..		706,644,567 00
Total..		$4,935,040,134 90

Taking our population at nine million, this means that we have a per capita debt of $548, or an average debt of $2,740 for a family of five, the interest on which has to be paid annually by way of taxation.

I have in my hand a copy of the speech made by the hon. member for Laprairie and Napierville (Mr. Lanctot) in this debate, in which he says:

> There is still $931,000,000 due to these gentlemen, on bonds which will mature in 1931, 1935 and in 1937. They still have about ten years of tax exemption, they who forced the government to pass conscription; but these people must prove their gratitude towards us. Why does the House, to-day, not ask, unanimously, the Minister of Finance, to borrow the necessary money to pay these people? I do not wish them to lose a cent on the capital they have lent us, but what I do want, is to pay them off. These gentlemen are responsible, to-day, for a loss of $18,400,000 in the income tax, that we could collect, and nearly $9,000,000 of interest that we should have less to pay.

I wish to compliment the hon. member for bringing these facts before the House. But I would go further than he does, I would recommend that we refund the total of our war debt of over two billion dollars. By refunding it with cheaper capital subject to taxation, we could in all probability save the country upwards of $100,000,000.

Mr. MEIGHEN: How does the hon. member arrive at the figure as to what the taxable income would be from those bonds?

Mr. SPENCER: At the present time I understand we have outstanding more than $931,000,000 of non-taxable bonds. I take it the hon. member for Laprairie and Napierville estimated on that a tax of only 2 per cent, but I think he would have been quite safe had he allowed more than that.

Mr. MEIGHEN: How would you arrive at that?

Mr. SPENCER: These are not my figures; they are the hon. member's.

Mr. MEIGHEN: No matter whose they are, it is the purest kind of guess. In fact, it is a guess in the dark, and the worst kind of one at that.

Mr. SPENCER: I can only say this: in respect to the larger incomes on which income tax is applied at present he would be well within the mark. According to the figures the hon. member has given here, $18,000,000 would be saved on the extra wealth which at the present time we do not tax.

Mr. MEIGHEN: First of all, there is no saying where these incomes are. In the next place, if they were not non-taxable, they would be somewhere else altogether and perhaps there would be no income from them at all by way of tax. They would not be where they are if they were taxable.

Mr. SPENCER: I have drawn the attention of the House to the fact that our largest liability is the interest on our national debt. We have had no indication from the Acting Minister of Finance that we can get round this so-called uncontrollable expenditure. There are, however, men in various parts of the world, considered as good economists, who claim there is a way of getting round it, and I would like to deal with this aspect of the matter for a few moments.

We all know that bonds are raised backed by our national assets. The Acting Minister of Finance told us a year ago that there was nothing more or less behind the bonds that were being issued than the assets of Canada. We have, therefore, been making use of our national credit not directly but through a middle agency, and in that connection we are paying a high rate of interest. We have four ways of raising revenue: first, through taxation; second, through treasury bills; third, through bonds; and fourth, by issuing direct. In the first place, during the war we did not raise anything like enough revenue by direct taxation, considering the huge profits that were being made. We all recognize that there was inflation in this country during the war years, which rapidly increased as the war progressed. This inflation was largely brought about because of the very considerable amount of money and credit brought into operation without the necessary taxation being imposed on the people. In fact, I understand that during that time only about six per cent of our revenue was made up of direct taxation. Had we had taxation in proper proportion to the amount of money and credit that was being distributed, we would not have had the inflation that occurred during those years.

The second way of raising money, as I have just mentioned, is by means of treasury bills, —the government of the day giving treasury bills to the private banks. Last year, in June, we had borrowed from the private banks of this country a little over $91,000,000 and we were paying no less than 5¼ per cent on those treasury bills. Under the Finance Act of 1914 the banks had the opportunity of bringing those bills back to the treasury board and having Dominion notes advanced against them at one-quarter of one per cent less than the government were paying the bank—that is, at 5 per cent. This matter was taken up in the banking committee at the time; it was afterwards spoken of in the House, and I am very glad to see that the amount outstanding at that time has since been paid off.

The third way of raising money—that is, by way of bonds—is a general one. Some people think that we can go on raising money by bonds to an unlimited extent. That is not the case. There are two conditions under which a country is prevented from issuing further bonds; one is when it cannot provide security for the bonds it wants to issue; and the other is when the people cannot stand any heavier taxation to meet the interest on bonds already issued. Canada is not likely to come under the first category for a long time, on account of her huge potential wealth; but we are liable to come into the second category a good deal sooner than many people imagine.

I would say that there are three classes of nations, in the matter of budget adjustments. First, there are those which raise by way of revenue just as much as they pay out; second, there are those which turn to the issuance of bonds to balance their budget; and third, there are those which turn to paper currency and issue bills without any safeguard from inflation. Canada is in the second of these classes, because for years she has been issuing bonds to meet her deficits.

We had inflation during the war and that inflation gradually increased over a period of

six years. We did not fear it so much, because it developed gradually. When those who were in control decided upon deflation, they did not take six years to do it, as they should have done; but deflated in one year as much as it had taken six years to inflate, with the result that industry suffered tremendously; and the industry that has suffered possibly more than any other is that of agriculture. The assets of that industry were not only halved, but sometimes dropped to a third, and the debts against it incidentally increased to an equal extent.

With regard to the criticism made by many to-day in connection with government's employing private institutions, to make use of their own credit, I would like to quote from Mr. Thoresby, an authority on financial questions in England. He says:

> The gem, however, of all our national financial stupidities is that in 1694, during the reign of William and Mary, we borrowed from the Bank of England £1,200,000 at 8 per cent (subsequently reduced) and in due course, by the operation of compound interest, the amount rose to £14,686,000. Then, over a series of years, one-fourth of this amount was repaid so that by 1860 Great Britain owed the Bank of England £11,015,000.
>
> And to-day, sixty-four years afterwards, we still owe the Bank of England £11,015,000, and every year we pay interest upon this amount. And yet through this same bank we distribute nearly £300,000,000 of currency in the form of treasury notes free of interest.

Some people think that the so-called borrowing by the government from the banks is a draw on the banks; and that they have a perfect right to charge—as they have been charging—interest at the rate of 5½ per cent. I would just like to draw the attention of the House to what Dr. Adam Shortt said in connection with this matter when addressing the University of Manitoba in 1919. He gave the following information:

> Thus a credit of $5,000,000 granted to the government is merely an entry in the bank's books, and when drawn upon by the government in favour of munition industries, transportation companies, and supply purveyors of all kinds, much of it may not leave the books of the individual bank involving nothing more than debit and credit entries in its ledgers. Even when the parties to whom the credits are transferred, keep their accounts with different banks the interchange of such credits between the banks through the clearing house practically offset each other in the long run. Thus a credit of even $5,000,000 on government account makes little or no drain on the individual bank, and none at all on the general circle of banks, unless it comes to a matter of foreign exchange.

Professor Soddy, of Oxford University, outlined the situation in the following words; and he is supported by Right Hon. Reginald McKenna and by Major C. H. Douglas of London, England:

> Another and most important fact to be emphasized is that virtually all the money in the hands (or banking accounts) of the community originally came into existence in the form of loans from the banking system. It can come from nowhere else, nor otherwise than as loans. This fact, which reverses all the old concepts of loans as money taken out of pre-existing deposits, is demonstrated fully in Major Douglas' works, and, in fact, has since been endorsed by Mr. McKenna, the chairman of the Midland bank. The order of procedure is as follows:
>
> (1) Money is printed or written into existence by the bank;
>
> (2) It enters circulations as a loan to somebody;
>
> (3) It is then spent, and then becomes a "deposit" in the name of the receiver.

As loans are repaid, of course, an equal amount of deposits is cancelled. I agree with the statement that Major Douglas made when giving evidence before the Banking committee in 1923 on the basis and function of credit. He then made the statement, which has been confirmed by many other eminent men, that a government should lend and not borrow.

I would like to say just a word with regard to the railway situation. It is, of course, one of the very serious problems we have got to face in this country. I cannot but feel very much in sympathy with the sentiments expressed by the hon. member for South York (Mr. Maclean), the hon. member for North Waterloo (Mr. Euler) and others who have advocated that we do what we can to bring the two great railway systems eventually under one management. If this was done, and the unnecessary waste and overlapping done away with, it is estimated that a saving of from $50,000,000 to $75,000,000 would be effected.

Turning to another subject, I again wish to register my protest against the continued concentration of the control of credit in this country. Some twenty years age we had thirty-four banking institutions or corporations; to-day we have twelve. Of these twelve banks, ten of the head offices are situated in the cities of Montreal and Toronto. This in itself, in my opinion, is a very serious situation. The concentration of the control of credit will naturally have a tendency to concentrate the control and development of industry, and in all probability the serious situation that has arisen in the maritime provinces, with their lack of trade and their emigration problem, is very largely brought about because they have no head offices of these banking institutions there, and their financial deals have to be directed from the central provinces. The situation in western Canada, is very similar and in my opinion has been brought about by the same cause.

Furthermore, with this concentration of the control of credit, we also have a mad rush for

competition, not in cutting interest rates, but in getting offices in the various cities, with the result that in many ways we are overburdened with branch banks. I have before me a comparison of the number of banks in Canada and the United States, taken from the Rand-McNally Directory for the year 1921. They report that there were then the following banks doing business in the United States:

National Banks..	8,191
State Banks and Trust Companies.. ..	22,413
Private Banks..	1,207
	31,811

or 289 per million of population.

According to the Canadian Bankers' Association publication, there are in Canada 4,850 banks and branches, or 539 per million of population. Some places, I might say, have too many banking facilities, while others have none at all. I have here a list of various towns which have a number of branch banks. This is taken from a statement that was prepared some time ago by a Canadian banker. Leaving aside the many places with one or two banks, or even as many as nine banks, I find that:

5 towns have 10 branches; 5 towns have 11 branches; 2 towns have 12 branches; 3 towns have 13 branches; 2 towns have 14 branches; 1 town has 17 branches; 1 town has 18 branches; 1 town has 23 branches; 2 towns have 24 branches; 1 town has 26 branches; 1 town has 39 branches; 1 town has 43 branches; 1 town has 45 branches; 1 town has 55 branches; 1 town has 82 branches; 1 town has 87 branches; 1 town has 220 branches.

I wonder what the people of Canada would think if the government in carrying on its administration of the postal business of this country imposed upon the people in these various towns post offices to the same number. There is no doubt in my mind that there would be tremendous criticism of such a way of doing business. When this question was up before the House the other day, the Acting Minister of Finance (Mr. Robb), who, I am sorry, is not in his seat, referred to the fact that a certain member on this side of the House had requested him to intervene to keep a certain branch bank open. I wish to say that I was the member referred to, and in the request I made I certainly have nothing to hide. The bank in question was serving a very good farming community, settled within a radius of thirty miles one way, and forty miles the other. The bank had done very well, but for some reason it had thought of closing its doors, I suppose to cut down overhead, and it was going to leave that well-settled district absolutely without banking facilities at all. Any district of that size, in my opinion, has a right to demand banking facilities. I say "demand," because we have given the present banks a very privileged monopoly and, under the Bank Act, we prevent banks of smaller capital being established in many of these places where they would start if they had the chance.

There is another subject I wish to bring before the House which, I am sorry to say, has not been mentioned sufficiently up to the present time, and never has been mentioned as far as I know by any of the government officials. It is with reference to the effect of science and invention on industry; also, of course, the speeding up of industry, by which we are turning out such vast quantities of goods in a given time compared to what we were a few years ago. We often hear preached to us, through the Speech from the Throne and many speeches on the floor of the House, the need of greater production. That is an old cry in my opinion which we might just as well forget all about, because the problem is not one of greater production, it is one of under consumption. We have an under-consumption which is brought about by a lack of purchasing power. We have on the one hand lots of goods; we have the power to produce a much larger quantity of goods than we are using at the present time. On the other hand we have numbers of willing workers. There are thousands of them at the present time out of work, who want to work and produce more goods. We have between those the problem of finance controlled privately. It should be controlled publicly through this House; but I have not seen much control given to it up to the present time. Through the system of finance not functioning as it should, we find to-day that we have not been able to purchase the goods that have been made, and consequently a large number of our people are idle.

A good deal of thought has been given of late years to this problem of purchasing power. Nations have not been able to sell as they wished to do in their own country because of this lack of purchasing power. They are, therefore, trying to sell their surplus products abroad. All countries are trying to do the same thing, with the result that an economic warfare is being carried on which will undoubtedly result in disaster if the system cannot be changed. In respect to this I should like to quote from Mr. W. H. Wakinshaw, M.A., formerly of Exeter College, Oxford:

The final result is that there is not left for the goods created, the simultaneous extra purchasing power

of money necessary to distribute them to the home public. Hence they must be exported, and we have accordingly the struggle for foreign markets and the fight to tap the purchasing power of other nations. This is, essentially, the key to the commercial rivalry of the great industrial nations which, unless its real causes are attacked and remedied, will inevitably again lead to world war—and possibly the extinction of western civilization as we know it.

As I have already said I regret that the Acting Minister of Finance—realizing, as he must do, the very serious problem this is—did not mention it in his budget speech. We know full well that the purchasing power of the people is equal only to the pay-roll of the people—nothing more and nothing less—and to support me in this statement I am going to quote from the speech of Mr. Babson, delivered before the Ottawa Board of Trade in 1922. On that occasion he said:

The purchasing power of the people is ultimately determined by the total payroll of the people. No matter what one's attitude is on questions of labour and capital, in the final analysis it must be realized that the spending power, the purchasing power of the nation or a community is merely the sum total of the payroll of that nation or community.

The increase, of course, of machinery efficiency means a decrease in labour work, and a decrease in labour work means that more people will be obliged to walk the streets; and the more people who are obliged to walk the streets the more will have to be paid out in doles to keep that army alive, and the more that is done the more it will reduce the purchasing power of those people who are employed. To give the House some idea of how science is gradually transferring the work from man's shoulders to that of machines I should like to quote the following:

The cotton industry in Lancashire working one week could supply the total requirements of England for a whole year. In United States of America in place of the old-fashioned sock-making machines in use thirty years ago, which employed one operator on six machines, producing 432 socks per day, they now employ full automatics, one operator attends twenty-five machines, and produces 3,600 socks per day. A modern steam navvy does the work of 200 men. A brick laying machine sold by Arrol and Co., now in use in Glasgow, operated by three men, lays 1,200-1,500 bricks per hour. A Wade Mechanical Woodman enables one man to do the work of thirty men. It can get through a three-foot tree in four minutes. At a certain rolling mill in Sheffield 1¾-inch billets can be produced (without reheating) at the rate of 100 tons per hour. The labour consists of four men.

Referring to this same problem I should like to quote from Lord Moulton in the Observer of June 22, 1919:

The scientist has this to say to the world to-day. If you insist on going to war again, the power which I shall give you will only enable you more effectively to destroy the world. But if you will remain at peace and accept the help I have to offer, it will lead you to such wealth as you have not imagined.

There is a very interesting booklet out, which I understand is in the Parliamentary Library, entitled "The Inversion of Science" by Professor Soddy. In this pamphlet Professor Soddy shows that, instead of science making humanity free as it was intended to, it will eventually enslave it, if we do not know enough to make proper use of science. We have quantities of statements from very good men along this line. I should like to quote from Mr. Arthur Kitson. I may say that he is an engineering manufacturer and authority on financial questions and economics, and president of the British Banking Reform League. In referring to this problem he says:

It is quite certain that the need for labour must become less and less with the growth of inventions and the increase in industrial efficiency. Indeed the real problem we have to solve is not so much that of finding constant employment for our people as our supplying them with life's necessities and comforts out of the abundance of goods created. Even to-day the labour of less than 10 per cent of the population will readily suffice to maintain the entire inhabitants of this country in a high state of comfort. Suppose discoveries and inventions during the next half-century result in the displacement of all manual labour by machinery, must the bulk of the world's inhabitants then perish?

Another authority, Sir Charles Sykes, a Yorkshire manufacturer, referring to this question says:

The problem of unemployment or its cause is not due to a defective system of production, but to a defective system of distribution.

I desire to bring another subject before the House which will call for more of our attention as time goes on, and I think should receive more of our attention at the present day. I refer to the concentration of wealth. The system as we have it tends rapidly to create large fortunes rather than to distribute wealth. I have some very interesting statistics here obtained from the Canada Year Book which I should like to quote. The first reference will be found at page 155 as follows:

Number of families enumerated in Census 1921..	1,901,227
Deduct number paying income tax (p. 808)..	281,182
Number of families not paying income tax—less than $2,000 and exemptions, being 85.2 per cent..	1,620,045
Number of males over 20 years of age, 1921 (p. 157)..	2,603,217
Deduct income taxpayers (p. 808)..	281,182
Married and single males over 20 years without sufficient income to pay income tax, under $2,000 and $1,000 exemption (89.199 per cent), or a total of..	2,322,035

Instances of inability of wage and salary class to live and have surplus to bequeath at death.

Average yearly earnings of wage earners in manufacturing industries (p. 434) were as follows:

Year	Number	Average yearly wage
1919..	594,118	$ 941
1920..	596,052	1,103
1921..	440,364	1,002

You will notice there that the average yearly wage has gone down from 1920 to 1921. Then the table continues:

Average yearly salary to federal civil servants of Canada. (See Malcolm Report, page 1043.)

Year	Number	Average yearly salary
1918-1919..	43,492	$ 960
1919-1920..	50,307	1,043
1920-1921..	41,641	1,399

And I draw the attention of the House to the fact that, in spite of the fact that the salaries have gone up, the minimum standard of living allowance for average family required by the Department of Labour of Canada is $1,605—see pages 431 and 433, Labour Gazette, 1924,—which is $206 higher than the highest being paid.

I have another very interesting table on the wealth of Canada and its distribution, taken from the Canada Year Book at page 807, as follows:

Total population, 8,788,483.			
Total estimated national wealth (1920)		$22,483,841,122.	
Per capita wealth, $2,588.			
Total value of production (1920)	$5,000,000,000		
Less depreciation	500,000,000	$4,500,000,000	page 219
Number of families 1921.. ..		1,901,227	page 155
Average income per family..		2,366	

Now I come to a very interesting table which I find at page 808 of the Canada Year Book, 1922-23. This is a table showing the distribution of the rewards and profits of labour and enterprise under the prevailing economic and financial system in Canada for the year 1923:

Distribution (Income tax basis)

No. of income taxpayers	Percentage of all income taxpayers	Amount of income taxes paid	Percentage of all income taxes paid
380	.14	$ 8,212,112	25.77
801	.28	3,810,107	11.96
1,181	.42	12,022,219	37.73
20,464	7.28	11,814,387	37.07
21,645	7.70	23,836,606	74.80
259,537	92.30	8,030,762	25.20
281,182	100.00	31,867,368	100.00

Or, making another comparison, we find that .14 per cent of the taxpayers are able to pay just as much in income tax as 92.30 per cent—at least they pay a little bit more. We all realize that where there is great wealth it is often accompanied by intense poverty. You cannot have a great accumulation of wealth on the one hand without a loss of income on the other. Following up this argument I would like to place the following before the House: Those people who have more income than they know what to do with, after spending what they wish on the necessities and luxuries of life, and who want to find some place to put it, usually do one of two things: they may put it into capital investments, or they may invest it in interest bearing bonds or securities. In the first instance it simply tends eventually to create more goods to be put upon an already glutted market—and in this connection I would point out that men starve not for want of goods but because of a glut—in the second case, the interest that has to be paid on the securities when they come due, taxes the people to an equal extent, and takes from the purchasing power of the masses a like amount. It may be argued that this interest again goes into purchasing power; but it goes into the purchasing power of those who have already sufficient with which to obtain the necessities and the luxuries of life. And so the vicious circle goes on. As we often hear, money gets money, and we find, not only in the United States but in Canada as well, that the list of millionaires and wealthy people is gradually increasing, at the same time that a greater proportion of the masses must struggle to make both ends meet. I was interested to notice when the Acting Minister of Finance (Mr. Robb) delivered his budget speech to the House that, in spite of the fact that this has been one of the worst years for unemployment, incomes have been large enough amongst that class to which I have referred, to enable the minister to raise an extra amount this year over the year before, by income tax, of $2,350,000.

I want to put in a plea to the Minister of Justice (Mr. Lapointe) to bring down legislation at an early date to make the necessary changes in the Bankruptcy Act so that the farmers can make use of it. As the minister well knows, the act at the present time needs sundry changes, and I believe he is sympathetic in the matter. Let me call his attention to the fact that these changes are absolutely necessary if we are to put a stop to the emigration from certain parts of Canada, and particularly of the west, from the farms. There are a large number of people who are in very bad need of such legislation, and the only way they can escape from their debts at the present time is to leave the country. They are first class settlers who know their business, and we cannot do better

than to make it possible for them to use the Bankruptcy Act and clean their financial slate as it were, and so start over again with a clean sheet in Canada. This would be a good thing not only for the men themselves but for the country as a whole. For those who do not need to avail themselves of the Bankruptcy Act but who need much better financial facilities than they have at the present time, I would put in a plea to the Acting Minister of Finance (Mr. Robb) to do what he can at this session to provide a system of rural credits, both long and intermediate—long on the amortization plan and intermediate from one to three years. The present system of financing the farmer is, as we all know, very costly indeed to agriculture. With an industry that has a turnover practically only once a year, to give credit to the extent of three to four months, and at rates of interest running from eight to ten per cent, is unjustifiable. I want also to put in a plea with the Minister of Railway (Mr. Graham) in the hope that we may get some relief in the matter of freight rates in this country; and especially would I appeal to him, through his officers or through the railway commission, to do away with the mountain rate where we have no mountain grade, I refer particularly to the Canadian National Railways going to British Columbia from Alberta.

There are two other subjects I want to touch upon before I close. I have not so far referred to one of the most serious happenings of the day, namely, the situation of the miners in Cape Breton. I have in my hand however a clipping from the Maritime Labour Herald from which I shall quote in part and comment upon. It reads:

Standing The Gaff

Outlining the titanic struggle that confronts the Nova Scotia coal miners in the struggles with the British Empire Steel Corporation, the national committee of the Trade Union Educational League has called on all workers to come to their support in a statement issued as follows:

Statement by the National Committee, Trade Union Educational League,—

* * * *

Besco is brutally frank in its purpose and confident of the result. Vice-President McLurg of Besco says: "They can't stand the gaff. We hold the cards. Let them stay out two months or six months, it matters not. Eventually they will come to us." Here is capitalism stark naked. We hold your jobs, we have systematically starved you, your wives and children are hungry, you will come to us at our terms, says the beast Besco.

This is a challenge to the working class of North America. The British Empire Steel Corporation dangles the chains of slavery before the miners of Nova Scotia and taunts them. You will be willing to don these chains again, says this huge octopus, whether in "two or six months, it matters not." We have the militia and all the repressive forces of the state while you have only empty stomachs.

I admit that these are very harsh words, but they would not be written unless there was a cause, and when such words are written and published in the press it cannot be denied that we have more or less of a crisis on our hands. It has often occurred to me that one of the first functions of government is to see that there are as few people as possible in the country who have nothing to lose. We have in Cape Breton a very large number of miners who at the present time have practically nothing to lose; and when men get in that state there is sometimes very little check on what they will do. The man who has something to lose, an interest of some sort, even a home, however humble, is not going to bring down destruction upon his locality if he can possibly help it, because he realizes he has something to lose. If we are not careful we shall gradually drift into that position where there will be a very large number—a seriously large number—of people in this country who have nothing to lose, and that will be one of the most serious positions we can possibly get into. I wish therefore to draw the government's attention to this very serious situation, and I sincerely hope that in spite of the fact that they have withheld their hand up to the present time, because they do not wish to interfere with provincial autonomy, I hope, I say, they will see that things do not drift so far that drastic action may be thought to be necessary by those who are suffering.

With regard to my vote on this budget, I am reminded that the government of the day got into power on a platform very similar to the one on which I was elected, a programme drawn up in 1919, and which they seem to have forgotten entirely. The first two years they were in power they seemed to have that same lapse of memory, but in 1924, owing probably to the fact that they realized it might mean their defeat if they did not do something, some small tariff reductions were made. I believe the reductions of duty on agricultural implements amounted to the infinitesimal sum of about 83 cents per half section. This year, however—goodness knows why!—they have taken a backward step, whether because they are influenced by certain interests that we do not see and probably do not understand; I do not know, but certainly some interests are at work, and the government have gone back entirely on their pledges of 1919, in fact they have given us a budget such as we might expect from the Conservative party rather than from those calling themselves Liberals. I shall therefore be compelled to vote against the budget.

In closing my remarks, Mr. Speaker, I cannot do better than quote some very apt words by Mr. Lloyd Roberts, embodying a passage taken from a book written by the Prime Minister:

The Idle Poor

We hear a great deal of "those who labour and are heavy laden," but their lot is an enviable one as compared with those who do not labour and are heavy laden. Their number is legion and ever increasing. The time-worn policy of passing by on the other side draws to a close. The very foundation of our social structure rocks beneath us. Thanks to centuries of progress, we can no longer, like the barons of mediaeval Europe, eat, drink and be merry while the people perish. The Prime Minister has said as much: "Let us be assured of this: the unrest in the world of industry to-day is no ephemeral and transitory affair; no mere aftermath of the hideous convulsion which has shaken existing society to its very foundations. It is the voice of a grief-stricken humanity crying for justice in the relations of industry. . . . The truth is mightier than the sword, and in conference and co-operation between all the parties in interest, not in the coercion of the others by any one lies the only hope of an ultimate solution."

Mr. AIME BOUCHER (Yamaska) (Translation): Allow me, Mr. Speaker, to take advantage of the opportunity, which the budget as brought down by the hon. Acting Minister of Finance for the approval of the House affords, to express my personal views and what I believe also to be the views of the electors I represent, on the general aspect of the country's affairs, and, in particular, on the needs of the county of Yamaska.

I am not a pessimist, nor am I downhearted. I have too much faith in the almost unlimited resources of our country, I have too much faith in the youth and manhood of the Canadian people not to open up wide my heart to the hope of seeing Canada in a near future soar very high in its flight towards development and progress and rise step by step to the rank of a great nation. It is useless, however, to have any illusion on present conditions. It is better to face things as they are. Vainly would we try to grasp it, prosperity is not yet within our reach.

We have come through a terrible ordeal. Fanatical politicians demanded of Canada an effort far above its strength. The excessive participation in the most monstrous war of all times struck it in the full swing of its development. It returned shell-shocked, crippled, bearing in its side a wound slow in healing. Yet, we were on this free soil of America in a privileged position. I ask you, Sir, now that the passions have subsided, have we not to regret having gone so far, having given in to feelings that were not prompted by the true interests and natural aspirations of the Canadian fatherland.

[Mr. Spencer.]

What was the outcome of throwing ourselves blindly into such a conflict? Glory? Mr. Speaker, it is a very wretched consolation. No! We have gained nothing, absolutely nothing! Unless it is experience dearly paid for, and from which the Canadian people must make the best of it to direct its future policy.

Would it not be more than time to exclusively look after our own affairs? Has not the time come to drop the League of Nations and cease drawing ourselves up on tip-toes to make believe that Canada is a nation that demands that her voice be heard in the concert of European nations and play a part which would appear ridiculous if it was not so candid and child like? The country's greatest need, is rest, tranquillity, it must remain aside, to recuperate in peace its loss of strength, to make the best of its geographical and strategic position and quietly wait for time to close its sores and heal its wounds.

To remove all danger of being drawn into participating in future wars which might be foreign to us and to sweep away all pretext of being bound in honour and held down to it by skilful diplomacy, it is my opinion, Sir, that Canada should withdraw from the League of Nations, that it should drop sending delegates to all conferences, whether it be to Geneva or elsewhere, that it should cancel the treaties which are not of a purely commercial nature, and that it remain quietly at home to develop its industries, improve its inheritance, repair its losses and seek to conquer a prosperity which is still in the dim future.

After all, the great neighbouring republic is of some account in this world. It is, today, the richest state, I might perhaps add the most powerful. At the end of this century, the United States will probably have 300,000,000 of a population. What nation on the earth will be able to compare itself with the United States of America? They give us a fine example, full of wisdom, which it would be to our benefit to emulate. Whether we wish it or not, we are a satellite in the orbit of the American sun and we cannot escape from the law of gravity. The Canadian frontier is not in Flanders nor is it in the Dardanelles, as it was once claimed; the Canadian frontier is in America and he who thinks the contrary may be an excellent citizen as regards other things, but he is not a true Canadian, he has neither the soul nor the spirit.

Among the problems which Canada, at present, has to solve, we must place in the foremost rank, I think, the problem of transportation. It is an exceedingly delicate question

which is the greatest impediment to immigration, of which Canada is so much in need and affecting especially our most important industry, I mean agriculture.

I have often heard the views expressed in the House, that there are too many railways in Canada, and this contention has spread so much that to-day it bears the character of an axiom. I may seem presuming, however, I cannot subscribe to such a statement. If we make exception for that part of the Canadian Northern from Winnipeg to Sudbury, I do not think that Canada has one single unnecessary mile. We are sometimes wrong in reproaching the promoters of these splendid railways which connect the Atlantic to the Pacific. They were Empire builders endowed with a far-reaching insight. If the flow of immigrants had not suddenly stopped, owing to the war in 1914. I believe that all these railways would now be on a paying basis.

Mr. BIRD: Mr. Speaker, I rise to a point of order. I doubt whether there is a quorum present in the chamber.

Mr. SPEAKER: I will ask the Clerk to take the names whilst I will make a count of the members.

On the count being made, eighteen members were declared to be present.

Mr. SPEAKER: There is no quorum.

And some members having entered the chamber:

Mr. SPEAKER: I will make a further count of the members.

And on the count being made, more than twenty members were declared to be present.

Mr. SPEAKER: A quorum being restored, the sitting will proceed. I am very sorry to notice that the House of Commons is very often without a quorum. I am sure, if the country knew that seats in the House were deserted in that way, there would be some agitation in the matter. According to Rule 24, every member is bound to attend the service of the House.

Mr. BOYS: Did the Clerk of the House make a correct count in the first instance, or was the result announced erroneous?

Mr. SPEAKER: I made a count from the chair and there were but seventeen members present, when there should be at least twenty. In my judgment the time has come to increase the quorum of the House from twenty to fifty.

Some hon. MEMBERS: Hear, hear.

Mr. BOUCHER (Translation): It would probably cost the country three times more to build, to-day, the National Transcontinental and the Grand Trunk Pacific. Moreover, have we even taken into account the greater value given to the country by these railways ever since they have been in operation? If we consider only, the country back of the Laurentian mountains, in the northern part of Quebec, between the city of Quebec and the borders of Ontario, an immense wild and unknown territory has been opened up and will, in the future, rival that of the valley of the St. Lawrence. Activity and life have sprung up where solitude reigned, about thirty parishes have been settled. The forest gives way to the farm. Mills have utilized the water-powers. The mines give up their wealth. Millions of dollars in capital have been invested, and I think, I can say without fear of being contradicted that, in those parts alone, the surplus value acquired by the country, equals, nay exceeds the cost of construction of the railways from ocean to ocean.

Once more do I state, Mr. Speaker, we have not too many railways, however, we lack one essential thing to give them more value, what certain economists designate, under a too realistic language perhaps, human capital; we have not sufficient population. This is an entirely different proposition. It is, therefore, a question of increasing the population of the country, and with that aim in view begin an active policy of immigration, selected as much as possible among the most healthy and assimilable classes, however, at all costs we must without further delay draw to our country a large immigration whose flow will help to solve our greatest difficulties.

If we wish to settle the immigrant on the land and make it sufficiently attractive for him to remain there, we must devote all our energies to making farming a flourishing and prosperous proposition. And to attain that end, the first condition, I think, required is to obtain for the farmer fair freight rates for the transportation of his products. The whole problem rests there.

Transportation, at reduced rates for the products of the farm, from their place of production to their point of distribution, would do away with the principal impediment to the return of agricultural prosperity. Immigration of a farming class will flow in the country when farming prospects are sufficiently enticing. I think, Sir, to rebuild the edifice of our national prosperity, we must do so starting from the ground up; we must first re-establish agriculture, bring back to the farming industry prosperity which it lacks and give to

the toiler of the soil the purchasing power which he no longer possesses.

The high freight rates weigh more heavily on the farming community than on all other classes, and, I think, that this is self-evident.

When the manufacturer ships a case of merchandise, the freight is charged to the wholesale merchant, who in his turn charges it to the retailer, and the latter does not forget to charge it to the consumer. The freight cost for the manufacturer, the wholesale merchant and retailer is of no consequence, since the consumer in the end pays. Such is not the case with the farmer. The price of his products is fixed at the distributing point, allowance having been made for the cost of transportation, so that the farmer finds himself in this particular situation: As consumer he pays the freight on the articles he purchases, and as producer he pays the freight on the goods he sells. This is certainly a burden which weighs too heavily on the farmer and interferes with his prosperity.

Last year, Sir, I claimed for the farming industry the same measure of protection as that which is given to the other industries in Canada.

It is not necessary, it is not even desired that such a protection be based on a customs tariff; I have no confidence in a high tariff to help agriculture in a country like ours that exports to the markets of the world the greatest part of its farm products. There are other means of giving it an equivalent protection; and why should not one of these means be to give him better freight rates, special freight rates for farm products?

One might object that our National Railways are not in a position to reduce their freight rates, that their yearly deficits are already a sufficient burden to carry. There still remains this other objection: that it is not a fair proposition to carry on, with the state's funds, a ruinous competition against the Canadian Pacific which has so much contributed to the development of this country. I do not think, Sir, that the state can legitimately ruin any private enterprise, however, it might make the community pay for the deficit brought on by the reduction of rates, and thereby, the farming industry would receive some protection which it claims and is in need of. However, Sir, it is easy to find a practical way of solving this problem, and should the Canadian Pacific be the only stumbling block, I think, the time has come for the government to take over the control of all railways in this country.

The moment the state is owner of 22,000 miles of railway it is just as well for it to purchase all railways, so as to do away with all competition and duplication of service, establish uniformity of rates and give full satisfaction to all parts of the country.

I am not one of those who think that our railways are leading us to bankruptcy. No doubt, we are under heavy losses each year, but such will not always be the case. Suffice it that our population increases by 5,000,000—if only we exert ourselves in taking efficient means, this increase will not be long forthcoming—our National Railways will be our best asset in Canada.

The motion of the hon. member for South York (Mr. Maclean) may seem bold, colossal, extravagant, however, I think it is worth being seriously considered, weighed and studied.

I wish, Mr. Speaker, to give my full support to the government's policy in regard to ocean freight rates. I approve such a measure, not that I am certain of its success, but because it shows some initiative, good will, a brave attempt to obtain a result which everybody desires.

Allow me, Sir, to dwell a few moments on the question of transportation in that part of the south shore of the St. Lawrence, between St. Lambert and Levis, and more particularly in the county of Yamaska, which I have the honour to represent.

It is one of the oldest parts opened to settlement on the American continent. If it is not one of the most flourishing, it is certainly one of the most beautiful and fertile regions.

The census of 1681 shows that at the mouth of the St. Francis river, there were thirty-seven families established there, forming a nucleus of settlement which, little my little, spread, pushing back the forest, establishing parishes and forming what is to-day the county of Yamaska. Most of the families mentioned in the census of 1681 have left descendants scattered in all the parishes of the county spreading over the neighbouring counties of Drummond, Richelieu, Nicolet and others. For the last 250 years, this population has generously paid taxes of all kinds and nature to the state, and which amounts to an enormous figure, yet it is hardly only for the last 25 years that a railway crosses the county of Yamaska. The south shore of the St. Lawrence is served by a railway called the Quebec, Montreal and Southern, starting at St. Lambert and terminating at St. Philomène, in the county of Lotbinière. Let us now consider the services given by this company.

Between Montreal and St. Cyrille de Wendover, by the Canadian National, there is a distance of 70 miles.

Between Montreal and Pierreville, by the Quebec, Montreal and Southern, the distance is 68 miles.

I have made up a schedule of rates charged by these two railways to ship from St. Cyrille de Wendover to Montreal, by the Canadian National; and from Pierreville to Montreal, by the Quebec, Montreal and Southern and it is as follows:

	Canadian National, St. Cyrille	The Quebec Montreal and Southern, Pierreville
Cheese per 100 lbs. in less than carload lots..	0.36½	0.34
Hay (carload lots) 40,000 lbs..	$58	$72
Live stock (carload lots) 20,000 lbs..	$29	$44
Wheat per 100 lbs. in less than carload lots..	0.19½	0.27

And here are the rates from Montreal to Pierreville and St. Cyrille de Wendover:

Anthracite coal, in carload lots, 60,000 lbs..	$45	(No fixed rate)
Soft coal..	$45	$96
Flour (carload lots, 50,000 lbs.).	$50	$65
Dry goods, per 100 lbs. in less than carload lots..	0.47	0.57

Which shows that for carrying the same goods over a distance shorter by two miles the Quebec, Montreal and Southern rates are 30 per cent higher than the Canadian National rates.

On only one item are the rates cheaper by 0.02½ per 100 lbs, and that is on cheese: the exception is explained by the fact that between Pierreville and Montreal a navigation company makes a specialty of carrying cheese.

I am speaking, Sir, of an agricultural district which is inferior to none in the country. However, the population of Yamaska county has not increased within the last 20 years; and that is equally true of Richelieu. Sorel, so happily situated at the confluence of the Richelieu with the St. Lawrence, knew prosperous times in days gone by; to-day, without its shipbuilding plants, it would be nothing more than a big village. What important industry has been established at Sorel during the last twenty years? The reason is that our railway facilities are not satisfactory. Has not the time come for the government to take over the Quebec, Montreal and Southern railroad from St. Lambert and operate the line as far as Lévis; and wouldn't such expropriation be in the interests of the railway company itself since it cannot operate et a profit while maintaining a satisfactory service?

This problem must interest the hon. Minister of Marine and Fisheries (Mr. Cardin) whose devotion to the interests of the citizens of Richelieu country and of Sorel in particular is well known.

Is it not of equal interest to the hon. member for Chambly and Verchères (Mr. Archambault) whose constituents, it seems to me, must be quite dissatisfied with the present state of things?

The subject is perhaps more removed from the interests of the hon. member, for Lotbinière (Mr. Vien), but I am convinced that several parishes in his county would welcome this plan.

As regards my hon. friend from Nicolet (Mr. Descoteaux), I feel sure he will do all in his power to obtain for his constituents in the southern part of the county the railway they are entitled to.

This question is of vital importance to all the southern region of the St. Lawrence. When the government operates a system comprising 22,000 miles of railway, running in part through districts as yet sparsely settled, it is only right that this same government should not leave the old counties, where colonization was cradled in this country, to get along as best they can under a burden of excessive freight rates.

This question has caused some agitation in my county. The farmers of Baie du Febvre, 167 in number, adopted the following resolution on the subject:

> Whereas, owing to the present prices of farm products, the farmers find it impossible to pay the existing high freight rates.
>
> It is hereby moved and carried unanimously that the proper authorities be requested to grant a special rate for the rail transportation of agricultural products.

I believe this parliament is the proper authority in the matter and it is with the greatest pleasure that I give my fullest support to this request of the worthy citizens of Baie du Febvre.

I realize that the problem is very difficult, that its solution cannot be brought about in one day; but I hope and trust that the government will not fail to recognize how very legitimate this request really is and that the petition will be granted.

It seems to me, Mr. Speaker, that I would fail in accomplishing my full duty if I did not, once more, call upon the government this year to keep all expenses down to what is strictly necessary, to practise the most rigid economy in the administration of public affairs;—economy is as much a necessity for governments as for individuals if we are ever to extricate ourselves from our present difficulties. There is no gainsaying that in this country, within recent years, we have all become, from the highest to the lowest, more

or less extravagant. It is economic heresy to suppose that even useless spending is a boon to business. That may hold true for a while, but unavoidably the day must come when poverty and distress result from extravagance.

To reduce the cost of living we must first of all bring about a reduction in wages. It is useless to ask the workingman to accept a cut in his wages if here in Ottawa, in this House, we do not set him an example. For my part, I refuse to ask anybody else to undergo a sacrifice that I am not willing to make myself. I believe that the public interest demands a decrease in the indemnity of members of parliament as also in the salaries of civil servants. I do not feel disposed to move this decrease myself, but if the government were to bring down a measure of this kind I would gladly support it.

Another conviction of mine is that law costs are far too high in my province. Things have reached a point where it is ruinous to apply to the courts: the costs are too heavy.

I have raised my voice in this House to protest against the evils arising out of the Bankruptcy Act; Sir Lomer Gouin, then Minister of Justice introduced certain important amendments to the Act, which at the present time is entirely satisfactory. All abuses of the kind have disappeared; in my own district since these amendments were brought into force, not one single farmer has failed.

But we are at the mercy of another evil: shunning Scylla we have fallen into Charybdis. To-day we are groaning under the burden of legal costs.

I am not saying this merely for the pleasure of criticizing; I have witnessed some extremely painful scenes. I have reached the conclusion, shared by the majority of businessmen, that most of the time it is impossible to obtain payment of a debt through the courts, without forcing the debtor into insolvency and losing one's money in the process.

Undeniably one of the essentials of prosperity in a country is to have courts of law that are within the means of each and every citizen, rich and poor alike, and that do not operate to the exclusive advantage, so to speak, of a professional class and of court officers as is now the case in the province of Quebec. I hope my voice will reach that eminently distinguished gentleman who presides to-day over the destinies of my province, who solved in such a practical and ingenious way the difficult liquor problem and who, a short while back, rendered his province one of the greatest services that any province ever had from its prime minister when he snatched the Banque Nationale from the jaws of financial disaster—two acts that could only come from a statesman of foresight and courage, and when I use the word courage I am fully aware that it is not surpassed in beauty by any word in any language. I would like to say to him that there is something else to be accomplished, one more reform that requires foresight and courage and that is the reform of our courts of law, decentralization, simplification of proceedings and the reduction of legal charges which are burdensome and oppressive to the people.

It is with all due modesty, Mr. Speaker, that I have made these few remarks. They may not be couched in an agreeable form; all I ask is that they at least be recognized as candid and sincere.

I may be called an idealist; but that will not offend me and I do not intend to look for excuses, since I am convinced that every true Liberal is more or less of an idealist; for the idea, generous and fruitful, is the mother of that creative action which ensures a happier future.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, at the outset may I humbly express what I believe is the joy of every loyal citizen of Canada, that His Gracious Majesty King George V. has come through his recent illness, and with God's grace I trust he may long be spared to rule over a loyal and grateful people. King George and his gracious queen occupy a unique place in the affections of the people of the empire. Like his illustrious father, no monarch in modern history has realized more than he the constraining call of duty or the glory of loyalty, duty, courage and self-sacrifice for his people; and I suggest that on his return to England at the end of this month, a loyal address of congratulation be passed by both Houses of Parliament of Canada to him on his recovery.

His illustrious son, His Royal Highness the Prince of Wales, Britain's greatest ambassador, has set out on another trip of seven months' laborious work and self-sacrifice for the good of the empire. He will be the most travelled ruler since the days of the great Roman Emperor, Hadrian. I trust that he will have a pleasant voyage, and that he will continue to do work for the unity and consolidation of the empire, and of the overseas dominions, and that he may be long spared to go from strength to strength for our empire. This is the fond wish of every loyal Canadian citizen.

Coming from an industrial district in which there is much unemployment, I deem it my duty to-day to bring before the House the

question of additional protection for the industries of the country, and to urge that what Canada needs at the present time is a proper Safeguarding of Industries Act. The subject of protection is many-sided and should be brought up to date to meet the changed conditions that have taken place since the inception of this great fiscal public boon in 1878. I support it, not for its own sake, but because it is essential for Canada's sake. No one needs to apologize for what protection has done for Canada. I support it for principle's sake, and on the grounds of patrictism.

Canada must choose between protection and free trade, and the difference between them is as wide as the poles. Protection is not and should not be thought of solely as a manufacturers or bankers' question, or that it exists for the sole benefit of manufacturers. Protection is a great economic question of principle and of patriotism, and of life and death to Canadians. The big interests, who seek to grab all the benefits of protection for themselves, are its worst friends, and do the great movement little good. It should not be a manufacturers' question; or a banking question; or a grain growers' question; or a combine question; or a monopoly question at all. Protection should be brought up to date to meet changed conditions, and extended. Protection will make for a better Canada, and a happier and more contented people, with work plentiful; it will make Canada a country fit for heroes who have fought for Canada to live and die in, instead of being driven to join the exodus.

I am tired of those who, for their own selfish ends, sometimes seek to apologize for protection as a question of expediency. If protection is solely a question of a manufacturer's or banker's profits, it is sure to die. As an honest protectionist, the great question of protection is one which I support, not for the manufacturers' or bankers' sake, but for Canada's sake. It is with me a question of both patriotism and principle, for the building up of a united Canada; and the principle should be extended and maintained so as to extend, conserve, build up, develop, and preserve all the provinces of Canada from coast to coast. I propose later to show how protection, adequate protection, should be developed and built up by additions and conservation, to further develop each of the provinces according to its needs, resources and economic development, and the psychology of protection as applied to Canada.

Some forty-seven years have now passed since the dead hero of protection in this country, Sir John Alexander Macdonald, first placed on the statute books of this country the old National Policy, and Canada can say of Sir John Macdonald as Rudyard Kipling said of the great John Bunyan: "The wisdom that he taught us is proven prophecy." If ye seek Sir John Macdonald's monument, look around you to-day in Canada and see the industrial nation we have, and the still mightier nation we might have had, had the National Policy been brought up to date, instead of being apologized for as an expedient. The exodus would end right away were his principles carried out and extended. I believe in protection for the good it will do the people of this country and the average man. It is a great national ideal, which I support for national, and not sectional reasons; for the greatest good to the greatest number, and not for the sake of any individuals, private plunder or selfish ends.

5 p.m.

The whole of the world to-day is turning and veering around to protection. Even free trade England is in a curious, circuitous way, in its amended Safeguarding of Industries Act—as set out in the famous white paper—coming around to indirect, and soon direct, protection.

Politics is defined as the science of government. Political economy is one of the latest born of the sciences, and has been built up on axioms worthy of credit.

The free trade professors have had their day and have about gone. They have lived on the dead text books of the past, and their days are numbered, although some of them still remain in Canadian universities. There are some here who talk one way and vote another. They will talk of the dead, but not vote with the dead, lest they become dead politically themselves.

If Canada is to be a great nation within the empire, to be prosperous she must prosecute and develop various branches of industry and supply the people's real wants mainly by the labour of her own hands. Last year, in the budget debate, on May 5, I examined the principle of protection, and the psychology of protection, past, present and future, in all countries and in history, and dealt with the development of England, France, Germany and the United States. I gave the history of protection in those lands in detail; and I showed that as an axiom and rule of political economy, it has been universal among these nations, and that it is the law of self-preservation and the survival of the fittest for nations in an industrial and national way. In Canada protection is, further, a social

and economic necessity. I also showed last year that free trade makes nations poor, and gave as illustrations Germany and the United States as they were in 1840, agricultural countries, undeveloped industrially.

We may take it as an axiom in comparing free trade and protection that the nation which is eminently agricultural and grain-exporting, which depends mainly or principally on other nations for its regular supplies of manufactured fabrics, has been comparatively a poor nation, and ultimately becomes a dependent nation. I do not say that this is the instant result of exchanging the rude staples of agriculture for the more delicate fabrics of art; but I maintain that it is the inevitable tendency. The agricultural nation falls in debt, becomes impoverished, and ultimately subject. I believe that the policy of protection should be brought up to date, and I agree with one of the protectionist papers in Quebec, Le Soleil, which says:

> To be worthy of the name, protection as a policy ought to be applied to the interests and well-being of society as a whole and not to the interests of the few. It ought to embrace all the professions, and all who fall within the categories of commerce, wholesale and retail; of all workers, whether they are engaged in stores or offices; of all women and children for whom the necessities of life are procured—provisions and clothing. In a word, protection ought to be for all classes of society. This provides a problem which cannot be solved in modifications of the tariffs of one kind and another, however important they may be.

I support such a policy as defined by Le Soleil not for the manufacturers' sake but for Canada's sake, and to ensure the greatest good to the greatest number. We learn from history of the fallacy of free trade from the failure of the prophecies in the early forties of Cobden and Bright that the whole world would follow England's example. I should like to quote for the benefit of the genial member for Brome (Mr. McMaster), whom I do not see here to-day, how those prophecies were fulfilled in the case of the United States and Germany. We might also show the fulfilment of that prophecy in the rising tariff walls of every country but our own. We might show the comparative positions of British, German, French and American industries, when free trade was adopted by England and protection by the other three countries I have named. Then Germany was the poorest country in Europe, content, or forced to export such raw materials as corn and timber in exchange for the manufactures of industrial England. We might show the Prussian peasant of that time, as contemporary travellers describe him, dressed in rags, breaking the clods with a wooden mallet because he was too poor to buy an iron plough. We might also quote the pathetic and almost despairing description of the German economist List, who described England about 1840 as:

> Supreme in every branch of manufacture, as a world's metropolis which supplies all nations with manufactured goods, a treasure house of all great capital, a banking establishment for all nations, which controls the circulating medium of the whole world, and by loans and the receipt of interest on them makes all the peoples of the earth her tributaries. In vain did the Germans humble themselves to the position of hewers of wood and drawers of water to the Britons; the latter treated them worse than a subject people.

Then we should see the United States at that same time, in 1840, invaded every year by an army of British commercial travellers. We should then have a picture of a comparative situation of the three countries at the outbreak of the war, Germany producing twice as much steel and iron as England, the United States with an even vaster production, the two countries towering in their industrial strength above the nation which had once supplied both with everything they required except food and timber. These comparative diagrams might be accompanied by others to show how national power was a reflection of industrial power, and how free trade England which, as a protected country, had once ruled the world, was compelled to invoke the aid of one great protected country, the United States, to assist her in repelling the attack of another. We might have a very pretty model of England in 1840 as the workshop of the world, and another in 1924 under free trade as the workhouse of the world with a dole system as the fountain. We might have a beautiful and moving reproduction of a labour exchange with the clerk handing out, not work, but doles to a queue of about a million and a quarter people. We might have exhibits of crumbling factories, rusting machinery and cold furnaces. The National Union of Manchester could contribute some very interesting statistics, the result of a questionnaire which they sent recently to their members. It seems that 567 manufacturers who replied, estimated that with adequate protection they alone could employ over 100,000 extra hands. We had a typical annual free trade speech the other day from the hon. member for Brome with copious extracts from the dead economists of the last century upon whom the hon. gentleman leaned very heavily for his guidance. The hon. gentleman gave a somewhat similar speech in a great protectionist centre, Toronto, recently on free trade where he spoke at Hart House to university students. While he

did so over 30,000 men were out of work there because of the unstable tariff we have in Canada. Hundreds of these men were sleeping in charitable quarters—in the House of Industry and in police stations. The hon. gentleman says that he will not vote against the budget because it would put the government out. As I say, he talks one way and votes another. For example in 1923 he crossed the floor and joined hon. gentlemen to my left. In 1924, however, when a redistribution bill was passed which might or might not have wiped out his seat, he returned to the government benches. The hon. gentleman need not fear that one vote will defeat the government because as long as any of the Progressives are here the administration will not be defeated. The hon. member, therefore, need not worry on that account. During his speech on the budget the hon. member for Brome spoke of the farmers in his constituency sending cream down to Boston. Judging from the experience of the past the farmers of Brome will only be able to supply cream to Boston so long as they do not interfere with the plans of the agricultural bloc in the United States. Just as soon as there is any interference with those plans, however, that bloc will put up the tariff wall on the lines I have suggested and exclude the farmers of Brome from the Boston market.

I regret very much the neglect of His Majesty's government to deal in the budget with the pressing needs of the unemployed, and I deplore the government's failure to devise and pursue a national policy to develop our resources, to diminish unemployment, and to restore the trade and commerce of Canada both at home and abroad to its old state of prosperity.

I regret also the negative policy of the government and its decision not to place an adequate dumping clause on the statute books of this country, leaving thousands of Canadians in want as a result of the lack of a proper tariff policy thus forcing industries to close and compelling many of our workers to join the exodus to the United States. I regret also any effort to come to the help to both capital anl labour by adopting such a dumping regulation as will be adequate and effective in the best interests of the country.

More than five-sixths of the budget is ancient and not modern history. A surplus in these days of high finance is not so much a matter of "cash on hand" as it is a matter of "heads I win, tails you lose"—it is a matter of statistics and figures. We are back to the old days of Ontario politics of a generation ago when, instead of such questions as the Ontario Temperance Act and Church Union, the great issue was whether the province had a surplus or not. I remember debating this question in an election in Middlesex county against the late Hon. George W. Ross, the then Premier of Ontario. At that time he called me "a doubting Thomas" and told me to come up to the parliament buildings after the election, when he would take me into the treasury vaults and show me the surplus in cash. I was there one day some time afterwards and asked him to carry out this promise. "Oh," he said, "never mind that now, Tom, here is a cigar." However, a short time after there was a change of government and Sir James P. Whitney became Premier. He made a survey of the assets and liabilities of the province and gave an honest budget that the people could understand. The late Sir James P. Whitney was honest enough to be bold and bold enough to be honest. With his accession to office there came an end of mythical surpluses. Henceforward under his administration a reliable and honest survey and statement of the assets and liabilities of the province was made by the government including that of all government commissions as well.

The Dominion government in its budget statement ignores the money advanced in cash to the Canadian National railways and the bonds guaranteed which are direct liabilities. So it figures out a surplus although $118,000,000 has been added to the capital of the Canadian National system during the past year directly and indirectly. Even if this was for the payment of interest it is nevertheless a debt. Frozen assets of some four millions of Roumanian loans in interest are included though not actually received, and we are not yet balancing our budget. The revenues are 52 millions less, and 13 millions more is spent, and only an estimate is given for the twelfth month's revenue at 35 millions, although one-twelfth of the gross would be nearer 29 or 30 millions. Net operating loans, plus cash advances and loans by the government, meet the fixed charges on the Canadian National Railway system's obligations, and a resort is made to direct taxation for 54 millions of a deficit. What the country wants is a little more of a railway policy that will lessen the deficit to be met by the taxpayer and a revaluation that would consolidate and write off a lot of frozen assets and of liabilities charged to public ownership which private ownership created in our railway situation, and give public ownership a chance.

I regret the present budget contains no relief to the business man. The sales tax retains all the features of annoyance, injury, loss and dissatisfaction to the business men.

As to the exodus to the United States, no effort is made in the budget to check this, nor will the incoming settler find anything in actual conditions to help him to stay in the country. The unemployed ask for bread and get a stone, namely a declaration that the federal government has nothing to do with unemployment and for the unemployed to see the provinces and municipalities. The industries of the country that were hoping for a safeguarding of industries act must still face the influx of products from foreign countries which have the advantage of cheaper labour with longer hours of work, depreciated currency and exchange and greater mass production. What we want in this country, Mr. Speaker, is a policy to check the exodus. The government should survey the whole field of public affairs, and analyse the causes of discontent, and upon the result of that analysis base their proposal for reform. This method of procedure would be in the interest of the country, and is what the Conservative party would do were they in office, and is in accordance with Conservative tradition, which has always exercised its beneficent influence for nearly two generations before the word "Progressive" was coined. Both Liberals and Progressives, no doubt, claim they have also looked into the troubles of the time, and are suggesting remedies. They are, though, of a negative value. There is this, at least, to be said of the Conservative party, however; they have preached the same doctrine of protection for all Canada in every province, and are a consistent party. They have been ready to risk unpopularity and to court the keenest opposition on the part of their political opponent in order to do what they believed the public interest required. All that the Conservative party can do is to rely on the educating of the democracy of the country. The central idea of Conservative policy is simple enough. It is that the present and future prosperity of this country depends absolutely on the adequate development of a protective national policy, a right development of our resources, and upon the right development of the British Empire. Domestic policy, trade policy, international policy, and defence policy, alike must be shaped to that end. If the fact of inter-imperial dependence be ignored, every experiment in reform is no more than sewing patches upon an old garment. No sooner is one rent mended than another appears. Some day it may well be that the dream may come true of an empire whose ways are the great waterways of the world, and in which men shall move for their industry, for their homes, from end to end with as little concern as to-day they move on the other side of the line—from the state of New York to that of California. It needs but little reflection to show how, if such conditions existed to-day here and in England, and in our empire, a mass of difficulties would be solved. These ideals have long been the ideals of Conservatism. It is equally true to say that they belong to no other party in the state.

In my opinion the National Policy should be brought up to date and be a new national policy for every province. There should be also a scheme of combined insurance to include unemployment, sickness, provision for old age and disability, by way of pensions. The question of housing should also be carefully investigated. Even more important is the question of the food supply, and bread and its price. An impartial inquiry should be held into the whole matter of housing and rents, and action should be taken in accordance with the results of such an investigation. There are indeed few hardships which the poorer classes resent more deeply than high rents, the scarcity, the high prices and quality of their daily food. There should be adequate regulation of the necessities of life, instead of allowing all kinds of trusts to live unrestricted and cross the border into Canada unregulated. We want further a national policy for marketing our wheat, coal and other basic products; the development of our water powers; a new national policy for coal, for oil reserves, minerals, for all of our resources, and further development all along the line; a national policy not only for capital but also for labour without any dependence on the United States, or being tributary thereto; and a law to prevent the bringing in what might be termed "Yankees bulls" into Canada, either in capital or labour. The American millionaire who seizes our resources and finds Canada a happy hunting ground should find a national policy to take care of his greed, besides a national policy for capital, a national policy for our labour unions free of American domination and dictation. Canada should be for the Canadians first, last and all the time.

The Conservative party in Canada is nevertheless the real hope of the future, and sooner or later the people will awaken to that fact. Much political capital has been made in the past by shallow and thoughtless agitators in denouncing the "Big business interests", but

the country realizes more and more that the big business interests they have so often heard denounced are as much the backbone of the country as are its agricultural interests, and the two are so interwoven in their business relationship that when you cripple the one you cripple the other. The Conservative party is the constructive, the progressive, the farseeing and cohesive party. It stands for unity, for home protection, for home development, for home staying and for Canada.

They are sending deputations to Ottawa all the time from the west and from the Maritime provinces complaining of their grievances and asking for special representation on committees, and even in this House there has been formed a Ginger group to look after the affairs of one province. It seems to me that it is about time central Canada, Ontario and Quebec, the two largest tax-paying provinces in the Dominion, got together and looked after their own interests. I would say to my hon. friend from Brant (Mr. Good), the whip of the Ginger group, that instead of talking so much about the troubles of the west and the Maritime provinces he ought to organize a Ginger group to represent Ontario. In my opinion the west and the Maritime provinces are very well off compared with Ontario. For example, the budget itself is a clear case of discrimination against Ontario. On bituminous slack coal the duty is raised from 14 to 50 cents per ton, which means less competition for Nova Scotia coal. And that coal is not used in Ontario anyway. So that Ontario will pay about a million dollars more annually for its steam coal imported from the United States. Thus Liberal Nova Scotia is enabled to sell, and Liberal Quebec is able to buy, Canadian coal at better prices, while Tory Ontario is getting none of the advantage and must bear all of the extra cost.

Another example of discrimination against Ontario is found in the reduction of the duty on well-drilling machinery from 27½ to 15 per cent. Such machinery is made in Ontario and is used in the western provinces most extensively. This means that western residents can now import drilling machinery more cheaply from the United States than they can purchase it from Ontario, owing to the long railway haul to the west. Thus again Ontario is the goat of the new changes in the budget. Ontario, with one-third of the national population, pays two-thirds of the new imposts. Ontario gets nothing but must pay, and pay. The same is true of the tax on the export of power.

The question of unemployment is being made a football of. It is no one's business, apparently; it does not concern the government of our country. Unemployment in Toronto is very acute at the present time. Here is a daily account from the Toronto press of the situation there:

> Thousands of hungry fed. Work of Reveille Mission. Over 300 given free meal last evening—many families helped—jobs for unemployed.
>
> Following out its regular Saturday and Wednesday schedule, the Reveille Mission last evening fed 327 men, women and children.

The article goes on to say:

> Accommodation both as to meals and beds, Pastor Paul Charbonneau announced, will be continued if funds are available till the end of the month. . . . "Conditions among you men are still so bad," he said, "that I feel I must go on helping you to the end of the month if the generosity of the Toronto public makes it possible."

There is the following paragraph from the press on the same subject:

> Appeals for Odd Jobs for the Unemployed
>
> Pastor Charbonneau of Reveille Mission, 383 Queen street west, is appealing for work of any kind for the unemployed. The pastor will be pleased if anyone who has an odd job will kindly communicate with him at the Mission or telephone Adelaide 2570.
>
> The Mission is still feeding the unemployed, and opened its doors on Wednesday night to a crowd of 318 men, women and children.

Unemployment is caused by the failure of this country to develop its natural resources and to protect native industry adequately. The question of unemployment is primarily a matter for the Parliament of Canada to aid in solving. But the government, the nation, the provinces, the municipalities and the church should unite in arriving at a solution, and the Canadian people should consecrate their best intelligence, their intellect, conscience and heart in a nation-wide united effort to solve this difficult problem. We are told that unemployment is not a federal matter, but that it is for the provinces and municipalities to deal with. I should like to ask the government to give an expression of opinion regarding the following cable despatch, which is reported in the press. How is this if the Federal government have nothing to do with unemployment?

> Canada Guarantees Employment For all
> Col. Amery Refers to Immigrants Under Empire Settlement Act
>
> Canadian Press Cable.
>
> London, March 9.—In the House of Commons to-night, L. C. Amery, Secretary for the Colonies, assured Sir C. Kinloch-Cooke, Conservative for East Cardiff, that the Canadian government had guaranteed employment to all persons emigrating to the Dominion under the Empire Settlement Act.
>
> The member for East Cardiff had drawn the attention of the Colonial Secretary to the opinion of the United Farmers of Alberta, expressed in a resolution,

that no more people in Great Britain should be encouraged to emigrate to Canada until conditions in the Dominion changed for the better.

As I said before, unemployment in this country is due to the fact that we have failed to develop our own natural resources and to conserve our own raw material. We are exporting in the raw and crude state to the United States various materials that we could manufacture at home. Take for example the case of asbestos; we are sending out $6,000,000 worth of raw asbestos taken from the bowels of the earth in Quebec, and that material when manufactured in the United States yields a return of some $75,000,000. We are exporting mica, nickel, pulpwood, power and coal. If we manufactured or utilized these articles in this country, it would provide work for tens of thousands of men. Canada supplies 85 per cent of the mica of the world, and 95 per cent to the United States. In 1924 Canada sold 112,000 tons of mica to the United States in the mill fibre state, only one degree removed from the crude. For that we received $5,546,000. When that was manufactured in the United States, it realized $70,000,000 worth of the finer products of asbestos, and another $10,000,000 worth of rough asbestos. Had we developed our own mica, $80,000,000 would have been distributed among Canadians.

Canada controls the world's supply of nickel. We need fear no competition in this particular article. We should develop nickel in our own country and help provide employment here. Canada's great nickel deposits give the United States all its supply and the world 85 per cent of its supply. Canada is limping along on a low tariff while the United States grows prosperous on a high tariff, three times as high as ours. The United States controls seventy-five per cent of the silk business of the world and seventy-five per cent of the rubber manufacturing, and yet not an ounce of rubber or silk raw materials is produced in that country. A proper protective tariff would induce growth and expansion here as nothing else in the world could.

No one knows better than the grain growers in the west what need there is for some change in our system. Their grain is being taken across the line to Buffalo where there are now twenty-eight elevators, and it is being milled there, mixed with American wheat and exported overseas, while the identity of Canada's fine hard wheat is destroyed. All the employment that is furnished by those twenty-eight elevators in Buffalo would give work to 15,000 men at Port Colborne and other lake Ontario points, if a duty and embargo were placed up to 45 per cent on wheat, having it milled in Canada and exported entirely through Canadian channels. I am glad that we are getting some converts in this regard, one hon. member to my left having advocated this policy.

We are certainly not developing our natural resources in this country as we should, for if we manufactured our mica and utilized our power and our coal in this country we could provide work for tens of thousands of men. Last year Canada sold 4,350,000 cords of pulpwood to the United States, receiving $13,000,000 for it, while this raw pulpwood was converted in the United States into a value of $67,000,000. We sent one-third as cordwood, one-third as pulp, and one-third as paper. We are also sending $100,000,000 every year to the mine owners in Pennsylvania. We could use $56,000,000 of that sum to provide work and wages in the Maritime provinces, in Alberta and in central Canada. And do not forget that Canada on the other side of the account buys back the manufactured products of these raw mineral materials which are manufactured in other countries. Do not forget that copper, as a raw material, is being exported in bulk and is being manufactured in the United States into articles worth millions of dollars. For example, I know a large firm in Toronto which last Christmas purchased 30,000 radio machines made in New York, Boston and Providence, and the best parts of these sets were manufactured from Canadian copper. Last year Great Britain purchased about 145,000 tons of copper, and Germany took three times that amount.

With reference to unemployment, many of the clergy have interested themselves in the subject, and I am glad to see that, following the example of the Anglican, Presbyterian and Catholic churches, the Methodist church has now applied itself to the problem. On April 6 last a special committee of the Toronto Methodist Ministers' Association on Relief and Unemployment made the following report:

Your committee, after careful enquiry and conference, respectfully submits concrete proposals, designed to help in solving the problems of relief and unemployment.

Your committee is conscious that results will depend upon the birth and cultivation of a public conscience, which shall demand that standard of living in which no worthy citizen or his or her dependents shall suffer from hunger or cold by the operation of economic or other conditions beyond his or their control. To secure this conscience demands tact, tenacity and widespread use of the pulpit, the press, the platform, and every other form of advocacy.

Your committee believes that this association must employ its strength and zeal with determination to obtain the defined objectives.

Unemployment is an unsolved but solvable problem. It results generally from the operation of forces beyond the direct control of the wage-earner, and constitutes a menace and challenge to every citizen.

Your committee believes unemployment contributes to the moral, mental and physical deterioration of our citizens, and involves immense annual economic losses. It permits thousands of children to exist cold, neglected, under-nourished, and exposed to the most serious afflictions affecting the human race; it robs womanhood and manhood of character, their sense of self-respect, and shadows their life out-look with shame and despair; it demoralizes unfolding youth, begets beggars and vagrants; it is so far reaching in its effect upon society that generations unborn will reap the awful harvest which follows inevitably in its wake.

Your committee believes the burden of responsibility to be a joint one resting upon all citizens and in particular embracing the federal, provincial and civic administrations. It would appear that the federal government has not been impressed by the serious and accumulative consequences of unemployment upon the citizens of the Dominion and we express the earnest desire that such representations shall abound through the voice of the church and associated public welfare agencies as shall impress the federal authorities of the gravity of the situation and secure an early and serious effort on the part of the federal authorities to meet by practical measures their responsibility to the people.

In particular your committee would urge action designed to eliminate the suffering resultant from the bringing into our country of immigrants who are inadequately informed concerning the conditions they are called to meet in Canada.

1. No one should be left cold or hungry.

2. These who are unable to work and are in need should be provided for adequately.

3. Work should be found or made for all able-bodied workers who, without it, would be in need of the necessities of life.

4. Those able to work and unwilling should be subjected to corrective discipline.

5. Reasonable means should be adopted to increase the earning power of those relatively inefficient.

While your committee recognizes that it is not primarily the function of this association to formulate a detailed plan for the elimination of unemployment, we feel that it will be of some advantage to bring the matter to the attention of the public in such a form as will show that a solving of this grave evil is possible. We believe it to be the plain duty of the church to protest against all conditions that menace the health, the morals and spiritual life of the people. Of such conditions unemployment is one that calls for immediate remedy.

On pages 1428, 1437 and 1797 of the current Hansard, the statement will be found that there were 20,000,000 unemployed in the United States, and as the debate is set out there I am not going to enter into a discussion with the Minister of Labour (Mr. Murdock), because I am willing to admit that Hansard speaks for itself. But I took the trouble, Mr. Speaker, to write the Secretary of Labour in the Coolidge cabinet, the Hon. James J. Davis, whom I met some time ago, and with whom I have no doubt the Minister of Labour is well acquainted. I received a reply from Mr. Ethelbert Stewart, Commissioner of Labour Statistics, Washington, who in the course of his letter states:

I would say that one-tenth of the figure mentioned —20,000,000—would be more nearly a true statement.

He enclosed a copy of last month's report on Employment in Selected Industries, which contains a fuller statement of what the statistics really mean. I find from that report that employment in manufacturing industries in the United States increased 1.6 per cent in February as compared with January, while the aggregate earnings of employees increased 6.6 per cent and per capita earnings increased 4.9 per cent. These considerable gains in February indicate a decidedly increased momentum in the upward trend of employment and employees' earnings which has been in evidence since August, 1924, and which suffered a slight setback in January owing to the regularly existing conditions of that season of inventories and repairs. These unweighted figures are presented by the United States Department of Labour through the Bureau of Labour Statistics, and are based on reports from 8,755 establishments in 52 industries, covering 2,765,058 employees whose total earnings during one week in February were $76,334,726. The same establishments in January reported 2,722,124 employees and total payrolls of $69,115,408. Each of the nine geographic divisions shows increases in February, both in employment and in payroll totals, the increases in employment ranging from 2.5 per cent in the south Atlantic states to 0.3 per cent in the mountain states, and the increases in payroll totals ranging from 12 per cent in the east north central states to 1.2 per cent in the New England states.

Mr. MURDOCK: Does my hon. friend know that the manufacturing employment figure in Canada increased ten points between January and March?

Mr. CHURCH: Mr. Speaker, the Minister of Labour does not know what he is talking about, and if the information he gives now is just as reliable as the 20,000,000 figure which he relied on when addressing the House, I think it will be well for the minister to look over this report, which I shall be glad to hand to him. It is only fair to say that the Department of Labour in the United States has no machinery for showing how many men are out of work, but they divide the country intc certain sections, the mountain, central and southern, and they have their own investigators. Probably the minister was not in his seat when I gave the figures mentioned in the report on Employment in Selected Industries

in the United States and, I repeat, I shall be glad to hand him this pamphlet so he may go over it himself. The report contains an interesting comparison of employment in identical establishments during one week each in January and February, 1925.

In respect to food and kindred products there were 1,039 establishments, and the number on the payroll in January, 1925, was 191,217 and in February, 1925, 190,250, while the amount of payroll in January, 1925, was $4,782,473 and in February, 1925, $4,712,871. In textiles and their products, there were 1,686 establishments; the number on the payroll in January, 1925, was 559,972 and in February, 1925, 571,906, while the payroll in January, 1925, amounted to $11,231,816 and in February, 1925, $11,630,400. It will be noted that there is an increase both in the number and the amount of the payroll. Similar increases are shown in respect to iron and steel and their products, lumber and its products, leather and its products, paper and printing, chemical and allied products, stone, clay and glass products, and others.

Then there is a table making a recapitulation of these statistics by geographic divisions—New England, middle Atlantic, east, north, central, and so on. The total number of establishments is given as 8,755; the number on the payroll in January, 1925, was 2,722,124 and in February, 1925, 2,765,058, and the amount of the payroll in January, 1925, was $69,115,408 and in February, 1925, $73,664,326.

Another table in this pamphlet makes a comparison of employment in identical establishments during one week each in February, 1924, and February, 1925. It shows that in food and kindred products the number of establishments was 798; the number on the payroll in February, 1924, was 177,467 and in February, 1925, 168,545.

Then, there is a paragraph with regard to per capita earnings. It says:

> Per capita earnings increased in February, 1925, as compared with January in 35 of the 52 industries here considered and decreased in the remaining 17 industries. The one outstanding increase was 30.4 per cent in the automobile industry. Comparing per capita earnings in February, 1925, with those in February, 1924, increases are shown in 27 industries and decreases in 24 industries, while the per capita earnings in the brick industry were unchanged. The rubber boot and shoe industry shows an increase of 5.9 per cent.

So that the conditions over there are improving. Then there is a paragraph with regard to time and capacity operation, which I quote:

> Reports in percentage terms from 6,550 establishments in February show increases of one per cent each in the average per cent of full-time operation and the average per cent of full capacity operation as compared with January. The establishments in operation in February were employing an average of 83 per cent of a full normal force of employees instead of 82 per cent as in January, and these employees were working an average of 93 per cent of full-time instead of only 92 per cent as in January.
>
> Two per cent of the reporting establishments were idle, 70 per cent were operating on a full-time schedule, and 29 per cent on a part-time schedule, while 43 per cent of the establishments had a full normal force of employees and 55 per cent were operating with a reduced force.
>
> Over 2,000,000 employees are represented in the following table, and of these over 1,400,000 were working on a full-time schedule and nearly 600,000 were working on a part-time schedule.

Then follows a table to schedules which shows the full and part time and full and part capacity operation in manufacturing establishments in February, 1925. There is also a paragraph with regard to the index numbers of employment and of payroll totals for February, 1925, for each of the fifty-two industries surveyed by the Bureau of Labour Statistics, together with general indexes for the combined twelve groups of industries dealt with. I quote:

> The general index of employment for February, 1925, is 91.6 and the general index of payroll totals is 95.1. These numbers represent an increase of 8 per cent in employment and an increase of 17.7 per cent in payroll totals since July, 1924, when the employment index was 84.8 and the payroll total index was 80.8, this being the lowest point reached in employment since May, 1922, and the lowest point reached in payroll totals since August, 1922.

Now, Mr. Speaker, the Toronto district is the home of: (a) industrial concerns and industries of all kinds; (b) market gardens; (c) mixed farming. The conditions in that district are not what they should be. What is wanted is added and adequate protection and safeguards. And there should be a root-and-branch reorganization, by revision of the tariff upward, to provide a safeguard from both fair and unfair competition. Protection, which seemingly was adequate before the war, is now inadequate. The reasons why it is inadequate can be found in the unfair competition abroad, in the lower wages, longer hours for labour, depreciated currency, excessive taxation. All these unusual conditions now enter into the problems which face us, conditions which were not experienced by the framers of the tariff of the past.

Farmers and market gardeners in this district want to retain the home market which is now being taken away from them by unfair competition. That market used to be a steady market, not one which was here to-day and gone to-morrow; and the prices were correspondingly good. What I advocate is revision of the tariff and the safeguarding of the industries of this district, as well as those of

the rest of Canada, by equality of treatment. A general tariff law is wanted all over Canada. The farmer and the market gardener will get the benefit of this revision in the conservation of the home market they have held for years through the maintenance of the industries at their door, in the nearby cities and towns, in a healthy and prosperous condition, and the exclusion of foreign agricultural products from our home markets. I sympathize with the demand of these farmers to keep out those early fruits and vegetables the business in connection with which now goes to the American competitor; because we have in the Niagara and lake Ontario district the finest of fruit and vegetable farms.

As I pointed out at some length two sessions ago, protection is wanted for the wool growers and manufacturers of Canada. The present tariff in this respect is not only out of date; it is a relic of the past. It is an absurdity to try to compete with outside countries when you consider how cheap labour is in continental Europe. Because of the conditions to which I refer, hundreds of industries are closed and others are operating only part time. There are no orders and therefore there is no work. Our Toronto industries are undersold, undermined, economically put out of business. Tariff tinkering is a dangerous business; it has proved so for Ontario and for Canada. Some employers of labour are not to blame; they have tried to take the patriotic course and to continue, but they have had to close up. There is no use denouncing them. The net result of this undermining of industry is a condition of unemployment—men out of work; no pay envelope at the end of the week. The time has gone by to denounce the employers and the so-called big interests, whose interests are really identical with those of agriculture and labour. Protection of our industries is the remedy. The farmer will benefit by the preservation of his home market. Protection is the only weapon the workers can use if the country is to be conserved for future generations of workers and toilers, as was done in the United States in the early days of its history.

What is the opposite to the policy which I advocate? Free trade, unemployment, depression, closed factories; the exodus of our people, empty houses; suffering on the part of the workers' families, the members of which are underpaid and under-clothed. And all this for the want of a national policy, for the want of an adequate utilization of our abundant natural resources which would make for better times and more employment, for happy and contented industrial workers in agriculture and in industry. Protection will again bring us prosperity. Every Canadian can help by purchasing Canadian goods. Every article of clothing—shoes, hat, collar, tie, suit or dress; domestic food, fruit, vegetables—all these things can be bought in Canada. By purchasing only goods which are made in Canada we can protect our industry, our agriculture and our labour; in other words, we can pursue a policy of Canada for Canadians.

If the 1,700 textile factories now in Canada, which employ 90,000 men and women, were wiped out, and the $300,000,000 worth of goods now made in Canada were imported from abroad, five out of every hundred people in Canada would find the source of their maintenance gone. On the other hand, if the textile industry were safeguarded and the bulk of the $128,000,000 worth of textile goods now imported were made in Canada, it would employ about 40,000 additional workers in the mills, who, together with their dependents and those who would be needed to supply their requirements for maintenance, habitation, health, recreation and transportation, would add over 220,000 souls to our population in the rural mill towns.

It is beginning to be realized that it is not because the mills abroad are better equipped, or because the workers and technical men abroad are more skilled or more clever than Canadians, or because a better quality of goods can be produced abroad that the woollen and knitting mills in Canada need protection; for none of these things are true. It is because our main competition comes from Great Britain and the continent, where the workers accept lower wages, exist on a lower standard of comfort, and can dump the products of their cheap labour on the Canadian market.

The increase in the imports of woollen and worsted cloth from Great Britain in 1921 was 13,095,400 square yards, whereas in 1924 they had increased to 30,154,200 yards, and the effects of the reductions in duties on goods from Switzerland, Belgium and Italy in 1924, and the removal of the safeguard against German goods in the same year, have not yet been fully felt.

There was an article in a Toronto evening paper the other day headed "Put out of Business." This expression is used by Mr. Frank Welsh of Toronto, who is president of the Textile Manufacturing Company, and president and general manager of the Dover-

court Twine Mills, Limited, both of Toronto. The latter business, after being in existence forty-five years, and with trade extending from coast to coast, was forced to assign about a year ago, and under the direction of Mr. Welsh an effort is now being made to again build the business up. Mr. Welsh, commenting on the reasons for the failure said:

> The reasons were not far to seek. The firm had manufactured tennis nets for one thing. We found we could buy in England tennis netting at a price that would enable us to sell at about 25 per cent under the cost of Canadian production. Consequently I do not think there is a tennis net being made in Canada to-day.

He further says:

> Canadians must adopt a national attitude on this tariff question. Objection is made to increasing our rate of customs against the entry of foreign or outside goods, with the statement that the tariff merely makes manufacturers wealthy because they are greedy as a class. Let us take it for granted that they are greedy; the fact then remains that, as United States protective tariff is three times as high as our tariff, they must be three times as greedy over there. What is the result? The United States is the most prosperous nation in the world. She has the most millionaires of any country in the world, a great many of whom have risen from the ranks. Her working classes work the shortest hour and get the most money. Their standard of living is the highest of any industrial community in the world. Every year, for the past hundred years, she has added a million people per year on the average, to her population. This is the answer to those who pretend a high protective tariff is a curse.
>
> Let Canada accept this protection in order to get some of the great blessings that have accrued to the other country.

We heard from the Minister of Agriculture (Mr. Motherwell) the other night about reciprocity, which is so near and dear to his heart. In view of the business depression and stagnation in this country, all I can say is that if such a policy of free trade and reciprocity is adopted by the people of the country, it means that we will go back to where we were in 1878. Industries will be ruined; people will be out of work and the times will be ten times worse than they are now. I may say further to the Canadian Council of Agriculture that free trade and reciprocity with the United States would make a Lazarus out of a country that Sir Wilfrid Laurier professed to have made a nation. That proposal would exhibit the Canada of Queenston Heights, or St. Julian, of Vimy Ridge, or Passchendale, of Amiens and many other fields of glory, as a beggar for the poor favour of reciprocity and free trade Canada cannot prosper on the growth and export of wheat alone. This was shown in the case of the United States. Protection was the path of glory to prosperity for the United States.

[Mr. Church.]

Geography has taught Canada one lesson, never to leave itself dependent on a neighbour for its fiscal policy, especially where that neighbour is one of the most prosperous, wealthy and highly protected countries in the world; I refer to the United States. Industrial dependence on the United States is no policy for a free Canada. Protection means good wages for our workmen, and our own markets for our own products, and our own work for our own workmen. Free trade means poor wages.

When the very pedestal on which Canada's industrial prosperity rests is being attacked, Canadians who believe in protection as a national ideal and public patriotism, should bestir themselves for the country's sake.

The low cost wheat is an important factor in price fixing. An agricultural country that buys abroad is heading for the poor house, as in the end agriculture must pay for products bought in Europe. The point to be determined is: Could we obtain them abroad cheaper, all tariffs being abrogated, than under an efficient system of protection? In other words, now—Canadian goods kill off native and struggling industries. The war has shown that free trade offers Canada nothing but a dump for European products; and the way German goods are being dumped in Canada proves this, until we get a more fair and up-to-date dumping clause.

Foreign manufacturers know that self-interest will dictate their policy to compete against and utterly overthrow a young rival of a native industry. The foreigner will cut to undersell the native young rival, and when he has him beaten, will again mark up his price.

Protection is the only road to profit for the farmer of Canada. No big, great basic national industry like agriculture can live without protection; alien goods are high priced goods. Free trade never built up the United States and will never build up Canada either. Protection enables farmers to exchange raw agricultural products for industrial products. The growth of the United States since 1840 shows that great sacrifices were made by the vested interests, long established, to break down a young and penniless rival. It is so in a thousand instances, and is so even to-day, especially in so large an effort as the supplying of a great and new nation with manufactured goods. These foreign interests will, as long as they encounter Canadian rivalry, supply our grain-growing country with manufactured goods, and if let alone, would in time under free trade wreck our native industries first, for our farmers want "to buy

where they can buy cheapest." This is the first commandment of free trade. But these foreign trade prices would not last a year after a Canadian factory was silenced. Then the foreign manufacturer would again think of his profits and immediately raise his price and obtain a monopoly.

Now what basic effect will this foreign purchase of manufactures have on the price of Canada's agricultural staples as a result of aforesaid? This example given of free trade will be a foe to the farmers, for the price at which the farmers' surplus crop can be sold governs the price of the whole crop, the question being whether the foreign or native manufacturer will supply the most manufactured goods in exchange for the least grain of Canada. President Coolidge and his cabinet agree with that view. Mr. Hoover, the Secretary of Commerce in the United States cabinet, has for a long time been telling United States farmers that their troubles will be at an end if they will so regulate production that there will be no exportable surplus of any staple commodity. This surplus, he says sold abroad, governs prices in the home market. If there were no excess, prices could be raised by the device of the tariff. He urges the growing of less wheat and more flaxseed and other products which can be absorbed by the home market.

The United States imports about 25,000,000 pounds of butter annually, and there is a movement to raise the present tariff of eight cents a pound with the object of shutting out Canadian, Danish, New Zealand and Argentine butter. Mr. Hoover admits that the duty of 42 cents a bushel has no effect on domestic prices, and that the wheat grower's only way of profiting by the tariff is to curtail his output. Last year the wheat area of the United States was cut down by four million acres, but the crop was larger than in 1923 because of favourable weather—contrary to Canada's experience. The high price of wheat has resulted in an increased sowing to winter wheat, though the recent slump may decide many growers of spring wheat to take Mr. Hoover's advice. What chance, then, has Canada to sell its agricultural products or any other products to the United States satisfactorily?

As the whole question of protection has been scoffed at and scouted in this debate, I think it is most desirable that some defence of it should be made.

Protection means cheap industrial products, made by our own workmen. The history of the United States shows that free trade retarded the growth in early days of that nation's young life, as it will do, if allowed in Canada. Free trade is no builder up of nations. This has been shown the world over. Germany is an example of this. England had protection for over three centuries before 1860. Protection saved America, a young agricultural country, and its great expansion from 1840 is due entirely to protection. It was a bitter lesson the United States learned in its effort to try and grow and thrive under free trade. For native goods in the long run are always cheaper than foreign goods.

The price of grain at any point where it is readily and largely produced is governed by its nearness to, or remoteness from, the market to which its surplus tends; and the least favourable is the market in which any portion of it must be sold. The key to success in Canada is to build up a home market. Let Canada's goods be manufactured in her midst, thus affording a ready market for her grain and agricultural products, and prices will rise by an irresistible law to the best average in the world. In comparison, under free trade, the farmer, with his workshops in Europe, might buy a trifle cheaper, but such free trade in the long run will prove a dead loss to the farmer for though he might make a trivial saving by buying where he can buy the cheapest, he will lose heavily on his grain, for the price will be fixed by the distance, or rates, for his surplus grain. Protection in the end will mean lower priced goods, while free trade will doom an agricultural country. For the law which dooms an agricultural country to inevitable and ruinous disadvantage in exchanging its staples for manufactures, involves it in perpetual and increasing debt and dependence.

It is not that agricultural countries are more extravagant, or less industrious, than those in which manufactories, or commerce, preponderate. It is only because there is an inevitable disadvantage to agriculture in the very nature of all distant exchanges. Its products are far more perishable than any other. They cannot so well await a future demand; but in their excessive bulk and density is the great evil.

Canada started like the United States as an agricultural country, and the early lessons the United States learned should be an example to Canada to learn by experience, and shun free trade in the day of Canada's youth. Free trade proved itself the foe of the United States. The history of the United States is a strong argument for Canada following in her footsteps, and maintaining protection. What will become of Canada if she follows a natural tendency in every comparatively new country to become and con-

tinue to be an exporter of grain and other rude staples, and an importer of manufactures? History shows that this proposition is illustrated and confirmed by universal experience and rests on obvious laws. The new country has abundant and fertile soil, and produces grain with remarkable facility, also other raw materials and most rude and bulky articles.

Labour is there in demand, being required to clear, to open up and build, to open roads, and the labourers are comparatively few; while in older countries labour is abundant and cheap, as also are capital, machinery, and all the means of the cheap production of manufactured fabrics. In the absence of any counteracting policy, the new country will import, and continue to import, largely of the fabrics of old countries, and to pay for them, so far as she may, with her agricultural staples. The history of the United States from 1842 to 1890, when they had no tariff and scarcely any paper money, proves that, whatever may be the currency or the internal conditions of a new country, it will continue to draw its chief supplies from the old, large or small, according to its measure of ability to pay for or obtain credit for them; but still putting duties on imports out of the question, it will continue to buy its manufactures abroad, whether in prosperity or adversity, inflation or depression. It is injurious to a new country thus to continue dependent for its supplies of clothing and manufactured fabrics on the old.

The ruling price of grain, as of any manufacture, in a region where it is considerably exported will be its price at the point to which it is exported, less the cost of such transportation. The average price of wheat throughout the world is something less than one dollar per bushel, higher where the consumption largely exceeds the adjacent production, lower where the production largely exceeds the immediate consumption. I put out of view in this statement the inequalities created by tariffs, as I choose at this point to argue the question on the basis of free trade which is of course, most favourable to my opponents.

All agriculture is no basis for the life of a nation. Protection must shelter the birth of every big industry, and it must be nursed in its struggling years and nurtured. Why not learn from history? Why build up alien countries instead of our own? For foreign factories are no friends of our native farmers. As a nation we should buy at home. These truths which the United States adopted early can alone save Canada in 1925, as protection gives bread to the worker in exchange for work, whereas free trade is an obstacle to a nation's growth. The aim and object we seek in protection is not to make our country a manufacturer for other nations, but for herself, not to make her the baker and brewer and tailor of other people, but of her own household. If I understand at all the first rudiments of national economy, it is best for each and all nations that each should mainly fabricate for itself, freely purchasing of others all such staples as its own soil or climate proves ungenial.

It is best for every nation to make at home all those articles of its own consumption that can just as well, that is, with nearly or quite as little labour—be made there as anywhere else. I say it is not wise, it is not well to send to the United States for various manufactured goods, to France for boots, to Germany for hose, to England for knives and forks, and so on; because the real cost of them could be less—even though the nominal price should be slightly more—if we made them in our own country, while the facility of paying for them would be much greater.

I may say I do not object to the importation of choice articles to operate as specimens and incentives to our own artisans to improve the quality and finish of their workmanship—where the home competition does not avail to bring the process to its perfection as it often will. In such cases, the rich and luxurious will usually be the buyers of these choice articles, and can afford to pay a good duty. There are gentlemen of "extra polish" as our dapper Minister of Agriculture might call them, in our cities and villages who think no coat good enough for them which is not woven in an English loom, no boot adequately transparent which has not been fashioned in by a Parisian master and that scorn 4.4 per cent beer for a bottle of sparkling Burgundy.

Since the government must have revenue and the Canadian artisan should have protection I am glad it is so fixed that these gentlemen shall contribute handsomely to the farmer and gratify their aspirations with the least possible detriment to the latter. This principle should be extended to include early fruit and vegetables and protect the Canadian farmer and market gardener from the unfair competition of United States early fruit and vetgetables.

Further, free trade kills industry, destroys a young rival, then puts up prices, and the United States imports are a deadly menace to Canada in 1925. High tariffs saved the United States. The whole prosperity of that

country was built up by high tariffs. These are the facts from the fiscal history of that country. England's imports never menaced in 1844 the native industries of the United States the way American imports are menacing the native industries in Canada in 1925.

The free trade assumption is always false that manufactures are eternally and especially in want of protection, while agriculture and commerce need none. The assumption is false in any sense; our commerce and navigation cannot live without protection, never did live. It is the interest of the whole country which demands that that portion of its industry which is most exposed to ruinous foreign rivalry should be cherished and sustained. The wheat grower, the grazier, is protected now by ocean and land, by the fact that no foreign article can be introduced to rival his except at a cost for transportation of some thirty to one hundred per cent on its value; while our manufactures can be inundated by foreign competition at a cost of some two to ten per cent. It is the grain grower, the cattle raiser, who is protected by a duty on foreign manufactures quite as much as the spinner or shoemaker. He who talks of manufactures and nothing else being protected, might just as sensibly complain that we fortify Halifax and Quebec, but not London or Ottawa.

The United States draws the life blood of Canada in 1925 the way Britain was in economic history charged with drawing the life blood of Portugal in 1844, industrially. Our low tariff is a boon and aid to the United States. Canada suffers at the hands of the United States, the latter taking advantage of our low tariff. Canada is the happy hunting ground of the American millionaire, who is getting the title deeds of our timber, forests, pulpwood and mines.

Do we know that the manufacturers of the United States first shot up under the stringent protection of the embargo and war, that they withered and crumbled under the comparative free trade of the few succeeding years, that they were revived and extended by the tariffs of 1824 and 1828? Do we not know that Germany, crippled by British policy which inundated her with goods yet excluded her grain and timber was driven, years since to the establishment of her "Zoll-verein" or tariff-union a measure of careful and stringent protection, under which manufacturers have grown up and flourished through all her many states? She has adhered steadily, firmly, to her protective policy, while we have faltered and oscillated, and what is the result? She has created and established her manufactures, and in doing so has vastly increased her wealth and augmented the reward of her industry. Her public sentiment, as expressed through its thousand channels, is almost unanimous in favour of the protective policy.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. CHURCH: Mr. Speaker, when the House rose at six o'clock I had been showing what protection had done for the United States, how it had built up that country, and the lesson given to Canada of the desirability of protection for all classes of industry in this Dominion. One of the things that protection does is to impose a tax on luxury—it taxes those who are well able to pay. The whole free trade policy is, in my opinion, a policy of greed beyond any greed ever dreamed of in the creed of protectionists. The whole country is to be taxed to build the Hudson Bay railway that is to carry wheat to a part where the wheat will be exchanged for goods. The goods made by producers who do not pay a cent in taxes for the railways are to be consumed by a population that does not spend, and does not want to spend, a cent in wages to their own countrymen. How are these countrymen to help pay for the Hudson Bay railway and all other railways if free trade conditions are to isolate the industries of the west from the general economic life of the country? A great number of the farmers in the west are misrepresented in this parliament. The farmers of Ontario have always shown themselves patriots on the battlefield and protectionists in the polling booth. Free trade theories have already encumbered the wheat grower with conditions that take $25,000,000 a year from him. Free trade conditions must be supplanted by protectionist principles in the shipment of grain, in the solution of the insurance problem and, if necessary, in the excise and export duties, or the wheat growing industry will be ruined.

Canada is able to offer two possible answers to a United States tariff increased to 42 cents per bushel on Canadian wheat. Answer No. 1 should be written in regulations that will prevent the Canadian milling combines and grain exchanges from wolfing the Canadian wheat grower out of his crop at low prices. Answer No. 2 should be written in a tariff of export duties that will make it impossible for United States millers to import a pound of Canadian wheat. Exclusion of Canadian wheat

from the United States market must mean the exclusion of United States flour from every export market. Flour ground out of American wheat cannot compete in the export markets of the world with flour ground out of Canadian wheat. Let the United States increase the American duty on Canadian wheat. A higher United States duty on Canadian wheat will compel the American millers to seek, and vainly seek, an export market for the inferior flour they are able to feed to their own people.

There never was a time in the industrial history of Canada when the business men of the country, and the producing power, stood in need of more sympathetic consideration at the hands of the financial administration of the government than to-day. The crushing burdens and taxes on industry to-day constitute a colossal handicap for business men in a period when every nerve is being strained to strengthen stability and ensure expansion of production on economical lines in view now of the absence of revival of international trade. The sales tax, for example, is a crushing blow to industry. It was originally 3 per cent, was raised to 6 per cent, and was afterwards reduced to 5 per cent; the overhead of the industrialist is staggering. As every person knows in keeping pace with the times, with the continued development, it is absolutely essential for progressive manufacturing concerns to be equipped with up-to-date plant and machinery. The march in machinery is unceasing. The lifetime of equipment in factory and machine shop to-day is very much shorter than in the past, and the scrapping of existing machinery and plant in favour of more modern methods is a problem that has always to be faced if Canadian industries are to maintain, and in some cases regain, their traditional pre-eminence. On these grounds there should be a reduction in the sales tax and income tax, and a more liberal allowance should be made for depreciation on account of wear and tear of machinery, to say nothing of allowance for expansion. I do not see how modern industry can be up-to-date in a way that the economic situation compels them to be unless it is relieved to some extent of its present burdens. A policy of safeguarding industries is badly needed in Canada and something should be done to provide immediate relief to industry by reduced taxes and also to protect our native industries now withering under foreign competition and the dumping in Canada of foreign manufactured goods.

A manufacturer asked me a question the other day. He said "How can I continue to keep my plant open under existing conditions?" He gave me the following argument. "The law at present gives me no encouragement. If I locate in Canada I am shut out from other countries by hostile tariffs and even in my home market I am given no preference. They tax my plant, my income and my excess profits; but if I am wise enough to locate in the United States, Germany, or elsewhere, and employ foreign labour, I will have the foreign market with tariff protection and free excess to Canadian markets on an equality with Canadian citizens." When foreign workmen are thus paid is it remarkable that unemployment exists in Canada? Is it not reasonable that Canadian workmen should have a preference in the markets of their own country?

I was sorry to see the withdrawal of the dumping clause. When that was announced there was great applause from hon. members to my left. No doubt it was a surrender to their free trade policy. They wanted the concession but when it was granted it was a sorry day for Canadian industries. I advocate a policy of endeavouring to make our farmers more prosperous, the bringing of more people into the country and especially endeavour to get back the splendid type of Canadian who have gone to the States, and an expansion of our home market. On account of the withdrawal of the dumping clause I think conditions in Canada will be more disturbed than ever. We have the statement given by the American Secretary of Labour in which he compares the exodus in 1921, 1922, 1923 and 1924 and shows an average in 1921 of 4,410 per month, or a total for the year of 52,929. In 1922 the monthly average was 5,190, or a total of 62,289. In 1923 the average was 15,165 per month, or a total of 181,973. In 1924 the monthly average was 13,255, or a total of 159,063. We have to allow for the immigrants that come back, but that is a small number.

With regard to the dumping clause, I was very much surprised to see what happened, and I may say that the civilians and soldiers in the industries are very much affected by this. Under the trade policy in vogue in Germany, German goods come in here, and it is a great menace to Canadian industries. I have a letter here from a lady in Toronto, which I will read to the House. It reads as follows:

> Enclosed you will find a package of rusty needles, purchased by me from a returned soldier, deaf and unable to find employment. You will notice they were made in Germany. Is it not the irony of fate that Canada has been given a government who would make it possible for our returned men who fought for us, to peddle German rubbish from door to door in order to keep body and soul together?

And the lady enclosed a package of needles made in Germany. I have seen these things on the streets myself. The departmental stores are full of cheap German goods. At Christmas-time it is impossible for the small storekeepers to compete with them. In the cities of Toronto, Hamilton, Brantford, Winnipeg, Vancouver and Halifax the small toy maker cannot compete with these German goods. The manufacturers cannot compete to-day because trash such as this package of needles I have in my hand are dumped in our cities and towns because there is no dumping clause to protect them. Coming from a soldiers' city which sent many thousands of soldiers to the war I protest against this practice. I believe what the Acting Minister of Finance says, I further believe that there are men in the government who are trying to carry on the affairs of the country to the best of their ability, and I sympathize with them in their work. I was very sorry to see them withdraw this dumping clause, because such an action was not fair to the farmers. We have thousands of farmers residing in the vicinity of the city of Toronto. If we refer to the teaching staff of the city of Toronto, I say that two-thirds of them come from the country, and Toronto has been built up by the farming community. Many farmers' sons in the different cities and towns, who have served as soldiers, have been driven out of employment on account of German goods being dumped in the market. Here is another item I wish to give to the House:

A Slap From Germany

Busy Factories There

Germany taking every advantage of King government's policy—our factories closing

Whilst Canadian factories are closed up tight and others only working part time, Germany is flaunting her prosperous conditions in the face of our war heroes, who are in bread lines and securing relief from the House of Industry to keep home and family alive and together. Through the mail arrives a booklet, English edition, but issued for 98 different countries, on "The Export Market," The centre part of the coloured cover is occupied by a ship representing world-wide commerce, whilst beneath is a photo of a large factory, and the words underneath "800 employees." The irony of the thing is that over the corner of the busy factory is a white dove of peace inset in a black circle.

Under the present King government's policy German goods are allowed to be dumped on the Canadian market in unequal competition, and whilst Canada is suffering a terrible depression Germany is waxing audacious and winning our markets, and putting our men out of employment and sending them across to the United States.

And the same with the shoe industry. Germany is dumping her goods here in Canada and selling them, and the shoe factories have been closed up.

Referring to the income tax, I was sorry that the Acting Minister of Finance did not see fit to exempt incomes up to five thousand dollars, because after all these men are paying the bulk of taxation, and the city of Toronto alone pays about twelve million dollars. It is always possible to get the little men with the fixed income, but you cannot get the big men. In the United States they go after the big men, because they have a policy over there of publishing all incomes, and the educational campaign which has been carried on in the United States has had a good effect. As we have nearly a billion dollars worth of bonds on which no income tax is paid, I think we should adopt some policy to bring that money back into circulation, so that it could go back into the industries. The income tax in Canada is much heavier than it is in the States. In Canada there was no reduction in the rate of income tax in 1924 as compared with 1922, but receipts from the tax have decreased 31 per cent. In England there was a reduction of 25 per cent in the normal rate of taxation in 1924 as compared with 1922, and yet the decrease in receipts has been only 28 per cent.

I may say that President Coolidge stated that a larger amount of money could be collected from large incomes at a moderate rate than at a high rate. When the rate is too high large incomes disappear, leaving all the burden of taxes on the wage earners and people of small means.

Right Hon. S. M. Bruce, Prime Minister of Australia has said:

I think all students of economics are agreed that nothing curtails development, hampers trade and industry and reduces the standard of living of the people more than crippling taxation. In comparison with other countries of the world our taxation is not excessive, but having regard to our particular circumstances it is having a disastrous effect. We are a young country, with illimitable natural resources, but no great accumulated wealth. A burden which could lightly be borne by an old country, with its great capital resources, is one which might strangle the future development of a young nation.

Now Canada's income tax compared with that of the United States is pretty nearly six to one. In the case of a man with an income of $3,000, in Canada he pays $40 and in the United States he only pays $7.50. A man with an income of $4,000 in Canada pays $80, and in the United States only $22.50. A man with an income of $5,000 in Canada pays $126, and in the United States $37.50. A man with an income of $6,000 in Canada pays $178.50, and in the States $57.50. A man with an income of $10,000 in Canada pays $619.50, and in the United States $207.50. A man with an

income of $20,000 in Canada pays $2,089.50, and in the United States $1,017.50. The small man is actually paying the burden of taxation. As I have explained, in the United States they have adopted a policy of publishing the incomes monthly in a bulletin, and it has had a good effect, and made the big men pay up. Some men tried to evade the payment of the tax, but the Income department has gone after the big men and the profiteers as well as the small men.

Then the Post Office Department in Canada is a very fine public utility. We have a fine Postmaster General, and I am sorry we have not seen more of him in the House on account of his not being in very good health. He is a very fine man and is giving us a good administration, particularly in the city of Toronto. People talk of the deficit on the Canadian National Railways. While there is life there is hope. They had deficits in the Post Office Department from 1867 to 1899 when surpluses began. At that time we had a very fine Postmaster General Sir William Mulock, who was succeeded by yourself, Mr. Speaker, one of the best administrators we had in the department. He continued his good work. The penny postage was brought into effect and the men were given better hours and better working conditions. I am sorry, however, that the Post Office Department did not go back to the two-cent letters and one-cent drop letters. I believe we had a report yesterday that it is going to cost three and a half millions. A bonus has been given by the Post Office Department to the newspapers of Canada that costs two and a half millions. If the government can grant favours like that why can they not reduce the postage for the benefit of the poor man? I believe we have a faithful civil service, and many men in the public service render excellent service. In some departments we have very high-class men. I have had a good deal to do with the civil service myself and as a municipal officer I have come in contact to a considerable extent with the officials of the Customs department. I therefore know something of the work that civil servants do and I firmly believe that they are a hardworking class; they certainly earn their salaries. There may be some overstaffing here and there, but what private corporation is there which has not been overstaffed after a war? I want to see the lot of the civil servants improved. I do not approve of what the Unionist government did in appointing the Civil Service Commission; I think this was a mistake. Personally I have always favoured the patronage system and it seems to me that the civil service commission to-day is a relic of what existed in the old Family Compact days. I am always for the patronage system.

I am sorry that the budget makes no provision for reducing the cost of the average working man's breakfast table; rather, it taxes the things which the working man is most in need of. There is some concession, it is true, in the matter of grapefruit, but the average man finds it next to impossible to obtain the necessaries of life, let alone grapefruit. Now, we have a Combines Investigation Act; and in the Criminal Code also section 492 provides for prosecution to restrain trusts, combines, and so on. It must not be forgotten, however, that when that section was passed there were no interlocking directorates nor were there any lawyers' and gentleman's agreements such as exist to-day. There were no mergers, and legislation in restraint of combines was then in its infancy. Now, however, we have all sorts of lawyers' and gentleman's agreements between different corporations and we have interlocking directorates of one kind and another; all of which shows the necessity for a modern law to meet this situation. I would advocate in this country something similar to the Sherman anti-trust law which is in force in the United States and under which trusts and combines are effectively prosecuted. Only the other day a bread trust across the border paid the penalty under this law. Combines flourish throughout Canada like the green bay tree and there is nothing to stop them; there is no really effective law either federal or provincial to bring them to book. And every bill of indictment that has been brought under section 492 of the code has failed. The people of this country are demanding that these trusts and combines shall be restrained, and certainly there should be no combines controlling the sale of such vital necessities as bread and milk and so on; nor should we tolerate a condition of affairs which works to the detriment of our infant population, as the various health reports show. The price of bread having advanced rapidly in England as a result of the rise of the price of wheat, the House of Commons passed a resolution calling upon the president of the board of trade, who is a member of the cabinet, to account for it. And in Paris vigorous steps are being taken to put an end to the exploitation of the people in the sale of foodstuffs. The following press despatch, which speaks for itself, is interesting in this connection:

A reduction of one sou in the price of bread, effective April 21, was ordered by the Bread and Flour Commission to-day. This is the third reduction within a month, bringing the price to one franc fifty centimes per kilogram (2.20 pounds). The drop is due to the recent fall in the Canadian and United States wheat markets.

It seems to me that nothing will be done here unless there is a change of policy in the administration of our public affairs. Why, there is a bread combine in Canada to-day which is spreading its activities into every province, and by and by the small men throughout the country will be driven to the wall. This is being done right now in the city of Toronto. There is a large merger in Canada and something must be done to curtail its activities. When the price of wheat and bread went up the bakers increased their prices, but there was no corresponding reduction in the price of bread when the price of wheat dropped fifty cents a bushel. The same thing is true of biscuits. This commodity has increased by three cents since the war. I am strongly in favour therefore of some legislation similar to the Sherman anti-trust law of the United States; this I think would be an effective means of meeting the combines. We have a high sales tax and a high income tax and the price of bread is beyond reason. We have combines in bread, oil, gasoline, and we have bankers' combines, American millionaires' combines, a grain growers' combine, a coal combine, an elevator combine, and combines in transportation and manufacturing.

We have had an interesting debate on the coal situation and what has been done is quite apparent. I have advocated for four years a national policy in regard to our coal supplies. I believe there should be an embargo on coal, for there ought to be a national coal supply. I believe in a bonus system, but the system which the Minister of the Interior (Mr. Stewart, Argenteuil) is putting into effect is not satisfactory inasmuch as it helps one province at the expense of another. The high industrial cost is due to fuel and transportation, which react on each other in an important degree; fuel reacts on the cost of transportation while transportation charges in turn affect the cost of fuel. There is no doubt that the coal miner's occupation is a perilous one and it should be well paid. But wages today are 100 per cent above the pre-war rate.

I am surprised at the condition that exists in the United States to-day in connection with the labour unions, and the situation is pretty much the same in Canada. Someone must do something in this country such as the Right Hon. Stanley Baldwin did in the Old Country to bring capital and labour together. On August 22, 1924, Mr. John L. Lewis, president of the United Mine Workers, wrote to Mr. Stone in regard to the failure of his company to put in force the Jacksonville scale, adopted last spring. Mr. Stone is head of a large organization in the United States and he describes the conditions there. He says that one contract was lost for supplying Boston and Maine with their entire coal supply, which could have been secured if Lewis had allowed the men to remain at work. He adds that agitation is now becoming a regular profession. Labour is as bad as capital over there. The organization has a contract to carry coal but they will not carry out the contract because they cannot secure the rates they want. I predict that next summer and fall there will be a large strike here like that we had in 1922 and we may be starved out next winter of coal if something is not done. I sympathize to some extent with the conditions in the Maritime provinces but it seems to me that we in Canada are heading for a state of affairs similar to that in the United States. I am therefore for a national policy for capital and labour alike. The people of this country are friendly to labour and we have a federal labour department as well as provincial departments to look after their interests. There should be a fair day's pay in the mines for a fair day's work; but it is coming to this in Canada, that for the protection of the nation everyone in connection with the mines, from the president down, should be licensed by the country and should not be under the control of any labour organization from the United States.

Canada is in need of an economic revival. She needs a revivalist. It is not creditable to our system of government that the state of affairs in Nova Scotia should be allowed to continue. I sympathize with the men in the mines, and I sympathize with the mine owners, who are handicapped by high transportation rates, an unsteady market and American competition. I do not attempt to blame one side or the other, the trouble is largely industrial, and, I repeat, I am very sorry for both parties to the dispute. The government could spend $30,000 to fight the hydro municipalities of Ontario right up to the Privy Council, and they certainly ought to be ready to do something to get the parties together in Cape Breton. Never mind who owns the mines, never mind the British North America Act; this is an emergency and should be dealt with as such. If such a dispute had happened in England, what would have been done? Right to-day, the darkest of England's

industrial troubles, when she is losing her shipbuilding orders to Germany, she is fortunate in having so resourceful a leader and patriot as Stanley Baldwin, who is heading a national awakening in England in and out of the House for industrial peace. He is rendering a service to the whole industrial world. He does not stand aloof and rely on technicalities. He boldly goes out and faces and solves the problems confronting the country. Unfortunately, that is not the way our statesmen act. He is winning over the hearts and minds of all men of all parties, of the whole civilized world, for speaking out in open meeting of the real crisis in industrial affairs and the need of a united effort to solve these industrial troubles to the mutual benefit of all concerned. The public of England are sitting up and realizing the economic condition, and Stanley Baldwin has won the heart of both capital and labour in an endeavour to get them together. He has personality, he has the human touch, he has sincerity,—these qualities have appealed to the imagination of the British people of all classes and parties, and in my opinion he will rank with Pitt as a leader of men. "Capital and labour," he says, "must come together in a bigger spirit, and pull together the way they did to win the war, with a united strength, if there is any hope of England weathering the storm and securing a more prosperous state of trade and commerce, thus making things better for all classes." Now, he has done all this in a month by close and incessant study, by social vision, by the conciliating spirit and temper, by the human touch, by the persuasive means and methods of a real democrat—a plain Englishman. He is to storm-tossed industrial England a revivalist, the like of whom has not been seen since the days of Pitt. The other night the hon. member for Springfield (Mr. Hoey) was looking for such a revivalist in Canada, one to lead us out of the present industrial wilderness. I should like him to listen to this appeal of Stanley Baldwin.

> I never sought the office; I never planned or schemed in my life. I had but one idea, an idea which I had inherited. It was an idea, so far as one can give service, to give service for the people of this country.
>
> My father lived in that belief all his life, and beyond him members of my family, in an obviously more restricted way, practised the same thing. It is a tradition. All my life I believed from my heart the words of Browning, that all service ranks the same with God, and it makes very little difference whether a man is driving a train or sweeping the streets or being Prime Minister, if he only brings to that service everything he has in him and performs it for the sake of mankind.

Hon. members will notice the human touch in this address. Is it any wonder he is getting

capital and labour together? He does not hold back and rely on technicalities. How long would it take him to solve our Nova Scotia problem or any of our other industrial problems, or to give us a safeguarding of industries act? I do not think it would take him very long. In my opinion what Canada needs is a safeguarding of industries act. My hon. friend from Springfield said there was no Safeguarding of Industries Act. Well, here in my hand is the celebrated white paper of only three pages—not like one of our bills of several pages. There it is, the Baldwin government's Safeguarding of Industries Act introduced on January 25. A committee is appointed by the board of trade, and this committee decides whether or not an industry shall be safeguarded. It has now reached the stage where it is a direct protectionist measure, and a large number of industries are getting relief. Where an industry complains of the severity of competition, for the purpose of the inquiry such competition is not to be deemed to be unfair unless it arises from one or more of the following causes:

> (a) Depreciation of currency, operating so as to create an export bounty.
>
> (b) Subsidies, bounties, or other artificial advantages.
>
> (c) Inferior conditions of employment of labour, whether as respects remuneration or hours of employment, or otherwise, obtaining amongst the persons employed in the production of the imported goods in question as compared with those obtaining amongst persons employed in the production of similar goods in the United Kingdom.

In my opinion the Conservative party in England would have been much wiser if they had followed protection consistently and whole-heartedly both in agriculture and in industry. The British Board of Trade approved of a set of rules by which industries may be safeguarded. The duties imposed are for a limited period. The New York Times in commenting on this measure said:

> Every company appealing for customs duty to "safeguard" its interests must show that it is doing business in an efficient and economic manner. It must also prove that a tariff benefit to its own industry would not hurt some other. It would have to produce facts and figures demonstrating that foreign competition with it is "unfair." Then after all these impertinent questions had been answered, it might get a bill through parliament imposing a duty "for a limited period," that period being definitely prescribed. As a crowning insult, from the strictly protectionist point of view, it is stipulated that no one having to do with any of these investigations for the Board of Trade shall be a "person" whose interest may be materially affected by any action which may be taken.

I do not know what they would do across the border if they had such a protective measure as that. During this debate I have heard members from both sides of the House talking about consistency in respect of free trade and protection. I do not know what

that virtue has got to do with the question. Whatever is the right way of settling the problem, I say to the government: Never mind the tariff, never mind who is blamed for it, the times and conditions have changed and if we really are to improve the condition of the country we must evolve adequate measures for the purpose, regardless of consistency.

What is the case for a safeguarding of industries act? The case is found in the figures of the number of unemployed, the number who have joined the exodus to the United States, and the number of factories closed. You cannot feed the army of the unemployed on the present tariff or on the hope of a revival of trade, whether that revival is coming or not; nor can you do it with what is afforded by the negative side of this budget. The unemployed must live from day to day, from month to month and from year to year; they need money at the end of each week to pay their rent, fuel and clothing bills and to feed their wives and children. I say you cannot feed the unemployed on the free trade fallacies of the past or on the British North America Act. Unemployment, as I have said, is caused by the failure to bring the National Policy up to date, to bring about the development of our resources and to take care of our raw material. The lack of protection has destroyed the home market for the farmers of Ontario. The farmers of Ontario in June, 1923, voted solidly for protection; they have always done it.

A report of the Trade and Commerce Department shows that $150,000,000 worth of fruit, vegetables and other farm products which could have been produced in Canada were imported during the year ending March 31, 1924. Our tariff is to blame for this condition. Compare the duties imposed by this country with those imposed by the United States on similar products, as indicated by the following table:

U.S. Customs Duty—	Can. Customs Duty—
42 cents per bushel, Wheat,	12 cents per bushel.
15 cents per bushel, Corn,	Free.
$2.04 per bbl., Wheat Flour,	50 cents per bbl.
$4 per ton, Hay,	$2 per ton.
35 per cent, Fruits,	25 per cent.
50 cents per 100 lbs., Potatoes,	35 cents per 100 lbs.
8 cents lb., Butter,	4 cents lb.
5 cents lb., Cheese,	3 cents lb.
8 cents doz., Eggs,	3 cents doz.
40 per cent, Cattle,	25 per cent.
100 per cent, Woollens,	27½ per cent.
55 per cent, Silk Fabrics,	15 per cent.
75 per cent, Art. Silk Fab.,	15 per cent.
75 per cent, Woollen Cloth,	27½ per cent.
75 per cent, Woollen Hose,	25 per cent.
33⅓ per cent, Hats,	22½ per cent.
75 per cent, Blankets,	22½ per cent.

We imported a large number of agricultural products from the United States, including the following:

Butter, over 1,000,000 pounds.
Cheese, 900,000 pounds.
Eggs, 5,000,000 dozen.
Fruits, $25,500,000.
Corn, 9,000,000 bushels.
Hides and skins, 49,000,000 pounds.
Lard and its compounds, 8,000,000 pounds.
Bacon and hams, 3,000,000 pounds.
Fresh pork, 10,000,000 pounds.
Pork in brine, 5,500,000 pounds.
Seeds, $3,000,000.
Vegetables, $6,000,000.
Raw wool, 15,500,000 pounds.

All of these ought to be produced in Canada. The value of the fruit imported is indicated by the following:

Fresh fruits..	$18,253,447
Dried fruits..	6,095,388
Fruits otherwise prepared..	1,936,938
Total..	$27,285,773

Nearly all these domestic fruits should be grown in Canada, and protection should be given to the farmer in Ontario and other parts of Canada. The figures which I have given indicate some of the agricultural products that we ought to produce in our own country. We should increase our tariff duties until they are on a par with those of the United States. We can copy them in this respect with beneficial results.

A thought occurs to me in connection with the tables which I have just read: Our navy of fishing boats has been called a "tin-pot navy" and, some may say, well may it be. But it is nothing to Canada's tariff, which is only a tin-pot tariff. The government should explore every possible avenue for the protection of our industries and for their extension and improvement.

Let us look elsewhere for lessons in this respect. Take the case of England: One third of her population, living now under free trade, is on the verge of starvation, and even here in Canada two or three hundred thousand have gone to the United States, including almost 100,000 of the Canadian Expeditionary Force. Does that not indicate that the time is ripe for a safeguarding act? The industries of the country cannot be nurtured or maintained without adequate protection. They cannot be helped by free trade, which is the "mildewed straw of the last century," as a well known authority once called it. Canada should safeguard employment by helping industries where the need for such action is palpable.

Under adequate protection I believe we could solve the unemployment problem by the development of the resources of the

country. Free trade produces low wages. For example, agricultural labourers in England are paid an average of $5 to $6 a week, and there is not a profession, trade, calling or industry in that country from John O'Groat's to Land's End in which the average wage is not just as low under free trade as that paid to the agricultural workers.

In England they are veering around to protection, although they have as yet gone only a little part of the way, in what has become known as the Safeguarding of Industries Act. I would ask hon. members to my left: Has England, under free trade, solved the unemployment question, the housing question, the low wage question, the question of hours of labour? No, it has not. Has England, under free trade, been able to abolish the poor law? Has it made the worker rich? Has it improved the lot of the skilled or the unskilled workman? No, it has not. Has it made old age pensions or doles unnecessary? Has it eliminated sweated goods from the market? Has it made employment more secure, or checked dumping? The answer is in all cases in the negative.

Unemployment is the most crucial problem in Canada to-day. But the government are unwilling to meet it; they fall back on the British North America Act and pass the matter over to the provinces and municipalities. The government would fight it without weapons, but if we are going to battle along as we have been doing we shall have graver unemployment in the future; it will be with us to the end of time. The only way I can see to fight it is by developing our own resources and safeguarding our industries, directly and indirectly; by going the whole distance instead of a quarter of it as was done in England.

Abnormal conditions are still with us. Let us apply the principle of a national policy in order to restore conditions to what they should be, and, under such a safeguarding act as I suggest, prevent that unfair competition which arises where goods from foreign countries are offered for sale in Canada at prices materially below those at which similar goods can be profitably produced in Canada.

Will any hon. gentleman on my left say that one single labour organization in the United States would ever pass a unanimous resolution condemning the high American protective tariff; or that one single labour organization in America would ask for the reduction of the tariff of the United States? The American labour movement is all solidly protectionist, as is also what hon. gentlemen to my left would call the "American capitalist." During the past quarter of a century, in spite of the high tariff in that country, not one single state has asked for modification of existing duties, and the whole tendency of tariffs everywhere has been upward. Ever since the war even France has carefully considered how to foster foreign industry so as to put British goods off the market, and where this can be done, up goes the French tariff every time.

The more I look into this question and consider the policy the government adopted with regard to the dumping clause to meet the wishes of hon. gentlemen to my left, the more I compare the Progressive party with the government, the more clearly I see that the only difference between them is the difference between Tweedledum and Tweedledee.

Mr. Shaw, the president of the Canadian Manufacturers' Association, gave evidence at the unemployment conference held in Ottawa last September regarding the depressed condition of industry. He pointed out that 1,351 industries had been closed down, and he enumerated them. I do not know whether his figures are right or not, but that is the evidence he gave, and it is in the Labour department.

The coal industry in the Old Country is going to follow the steel industry, which is in a very depressed condition at the present time. The plight of this industry is causing a good deal of anxiety in the Old Country, and if there is no improvement it will soon be a case of going to Germany, not Newcastle, for coal. The high wages, short hours, and increased cost of production in England have given Germany the advantage. The German miner works longer hours and for less wages than the English miner, and he is taking the English market away from him. An order has gone from England only recently to the Hamburg yards for five motor ships. If England loses the coal and steel trade to Germany, what will happen? England will gradually dwindle industrially, and also from a defence standpoint. These industries are essential to the safety of England and the empire, for a country cannot defend itself without iron and steel. If Germany wins the supremacy in the coal and steel trade that Great Britain now enjoys, when they come to take our gold, for instance, how can we defend ourselves? The iron and steel industry is essential to the very life and existence of a nation.

In my opinion, Mr. Speaker, the group system of government in this country has seen

its day. Criticize the old party system, if you like. It has its advantages, and its disadvantages. It sometimes leads men to stand by the party always, rather than for the good of the country; it leads men to extremes in some cases, and to forget the very basic principles for which political parties were formed. But when you criticize the party system and its defects, do not forget its virtues, for it has many. The mother of parliaments has given the empire the good government it has to-day, an example that has been copied all over the world. The group system is a different system. It has been tried in the Old Country and found wanting. The group system over there was destroyed last January by a most decisive verdict. The group system has been destroyed in the United States, as the Coolidge election shows. In June, 1923, in the province of Ontario, the Farmers' government was swept from office, after it had denounced manufacturers as thieves and robbers and preached blue ruin for four years in and out of season. So, Mr. Speaker, I say that the hope of labour lies within the old party system. The so-called Labour party in this House is composed of the hon. member for East Calgary (Mr. Irvine) and the hon. member for Centre Winnipeg (Mr. Woodsworth), but calling themselves the Labour party does not make them the Labour party. I do not know whether they represent even the labouring classes in Winnipeg and Calgary, let alone the labouring people in this country from coast to coast. Certainly they do not represent the workers of Toronto, for we have nine members representing them. I believe that the party system is the best system, and I firmly believe that the hope of labour is within the two old political parties. I quote from the Morning Post of London:

> The best labour can do is to get back to the two old political parties where they belong.

In the province of Ontario labour got the best results from the two old political parties. Sir Oliver Mowat was not unfriendly to labour. He was a wise and sensible prime minister. His successor, Sir James Whitney, and Sir William Meredith gave the working classes the Workmen's Compensation Act, and the Hydro-electric movement. The morning Post says that the American workmen have renounced the idea of maintaining a Labour party separate from the two great political parties in the United States. That idea was always opposed by the late Mr. Gompers, the powerful and astute American labour leader, who preferred to sway the balance between Republicans and Democrats with the votes of his fellows. As a matter of political tactics the principle of Mr. Gompers is obviously much more effective than the British plan of creating a separate party, and it has the further great advantage of economy. The Morning Post shows that the American unions have succeeded in obtaining higher wages and better conditions than the unions in Great Britain, despite all their political operations, and says that the results of political action on the part of British trades unions are depleted funds, a loss of some fifty millions sterling, and a permanent army of unemployed. So I believe, Mr. Speaker, that labour will get the best results inside the two old parties.

I wish to refer briefly to the railway question. I have always been a supporter of public ownership. It is not public ownership that is responsible for the railway situation to-day; it is private ownership that is responsible. Public ownership did not build the Grand Trunk railway, or the Grand Trunk Pacific or the Canadian Northern. These roads were all built by private corporations, with useless duplication and great waste. These private corporations were assisted by subsidies, cash and land grants of every kind, and they were supported by some of the very newspapers which to-day are denouncing the National railways, which on the whole have presented not a bad statement for the year. Public ownership has not been a failure in Canada. The most shining example of a successful ownership undertaking is the Hydro-Electric Power Commission of Ontario, a system which has cost $241,000,000. Every contract was built ahead of time. It has reduced the cost of domestic lighting one-fourth, and of commercial lighting one-fifth. The rates are the lowest on the continent bar none. This movement has saved the taxpayers of Toronto $28,000,000. It allows for depreciation, and is earning interest and sinking fund.

9 p.m.

With regard to the railway situation I sympathize with the Minister of Railways (Mr. Graham), who I believe is one of the most popular as well as the most efficient ministers of railways that we have ever had. I am opposed to cutting out trains, passenger and freight, on certain units, if that is going to result in handing over more and more of the Canadian National business to the Canadian Pacific railway. I believe in giving the National railways a chance. Sir Henry Thornton—you are almost guilty of contempt of court if you mention his name—made a fatal mistake in not letting the Hydro radials, the people's own railway, alone. They would

have been feeders for the Canadian National railways.

The Canadian National Railways should have worked with the municipalities and they would have got the cream of the business. The government talked about giving the National system a free hand. Why, parliament has practically effaced itself in the matter of the railway estimates. The Canadian National Railways had a deficit in 1924 of $54,860,419, which is just $3,162,744 more than in 1923. On the other hand the Post Office Department had a deficit for twenty-four years down to 1899. It has had a surplus ever since except, perhaps, when war conditions prevailed. As to the Canadian National Railways the net, before fixed charges, showed an improvement of $1,270,687, but fixed charges increased by $4,433,423 swallowed the increase in the net and made the deficit $3,162,744 greater than in 1923. The report of the Canadian National Railways shows that in spite of the decrease in gross earnings of $17,547,305, due to a smaller crop and general business conditions throughout the country, the company was successful in earning a net operating profit of $17,244,251, or $3,186,397 less than in the preceding year and therefore maintained "to a very considerable degree the rate of improvement during 1923 which was a phenomenal year in many respects from a transportation point of view." The operating expenses of the system were reduced by $14,360,907 to offset the reduction in gross receipts. This reduction could have been carried further, according to Sir Henry Thornton, if the management had considered it advisable to pay less attention to maintenance of way and structures. An effort should be made in 1925 to reduce these estimates further in the interest of economy and efficiency and not be satisfied with a scale of expenditure which is too elaborate compared with that under private ownership.

In looking over the report of the Canadian National I was very much struck with its similarity to the report of the Canadian Pacific. The Canadian National Railways reports a decrease in operating revenues of $17,547,305 or 6.93 per cent. We have been told by the Minister of Labour (Mr. Murdock) that everything is lovely in the Dominion. We are told, however, by the president of the Canadian National of the adverse business conditions which obtained during the greater part of the year throughout Canada and elsewhere. We are told: "Traffic during the first three months of the year was in excess of that moved in the same period of 1923, but general business suffered a reduction early in April and the depression continued until the end of the year." The report of the Canadian Pacific contains this statement:

> The working expenses for the year, including all taxes, amount to 79.60 per cent of the gross earnings, and the net earnings to 20.40 per cent, as compared with 80.86 per cent and 19.14 per cent respectively in 1923.
>
> The gross earnings for the year were less by $13,334,933 than those of the previous year, freight earnings alone decreasing $10,794,416. Working expenses, however, decreased $13,083,165, resulting in net earnings, before deducting fixed charges, of $37,227,241, or a decrease under the previous year of $251,768. The decrease in freight earnings is largely accounted for by the much smaller movement of grain and flour, particularly the former, owing to the smaller crop in western Canada. There was also a substantial decrease in the movement of manufactured articles due to the depression which existed in Canada during the major portion of the year.

The time has come to get a sane railway rate policy free of government and legislative control, with equality of treatment and rates fixed from an economic and not from a political standpoint. Agricultural products are carried, as I said in the debate on coal, on a preferential tariff basis, and the grain growers of the west have also favourable rates at less than cost, and other classes of products must pay increased rates in order to extend this boon to the agricultural industry. There should be a revision of rates. Our railways should be run from a commercial point of view and there should be a reclassification. However, as the taxpayers of the country will have to meet the deficit on the system by the payment of taxes the effects of reclassification will not be very marked. Let me point out that there is a lot of waste land belonging to the railway in cities and towns of this country that could be sold and economies effected. There is duplication and waste in many directions which could be prevented. The hon. member for South York (Mr. Maclean) and the hon. member for North Waterloo (Mr. Euler) have recommended the cutting out of this duplication to which I would be sympathetic if it did not divert business from the Canadian National Railways to the Canadian Pacific Railway. No doubt the Canadian Pacific would approve of any plan likely to have that effect. There is no railroad on the North American continent under private ownership. that is spending capital in the way that the National Railways are. Certainly the Baltimore and Ohio, the New York Central, and the Pennsylvania Railways are not doing it; they are not spending money on betterments either. There is no use throwing bouquets at the management in view of the great deficit on the Canadian National, the stagger-

ing burden of taxation which is crushing the country, and the depression in business which exists throughout the Dominion. Let the National Railways cut out the expenditure on golf courses, on hotels—of which there is quite an epidemic—radio outfits, and branch lines. The Senate is to be commended for having prevented the construction of a number of branch lines. Had not the Senate intervened, there would have been more of a deficit from Canadian National branch line building and this would have added to the debt and fixed charges. The Senate in preventing these additions prevented a situation which would have necessitated a worse statement for the present year. We were told nearly three years ago that the new arrangement entered into would put the system on a paying basis. Two years have gone by and we are into the third year and the deficit on the National system is three millions more than it was last year. The overhead charges are going up by leaps and bounds, there was an increase of four and a half millions this year alone on this account, and $118,000,000 has been added to capital since last year. Even if this is an addition to the annual fixed charges it is still on the debit side of the account. After making allowance for a small crop, depressed business, and reduced freight and passenger earnings there is a falling off of seventeen millions in revenue notwithstanding that a cut of fourteen millions has been made in expenses. The system is going deeper and deeper into difficulty. It is said that the staff of the system is loyal. This is small consolation to the man who has to pay for the railway deficit in the form of taxation. Why would not the staff be loyal? That is what they are employed for. The Canadian National radio is working overtime reporting speeches of the president, vice-president and other officials. It is small comfort in view of the unemployment situation to learn that the Canadian National Railways has expended $124,290 on a golf course at Jasper, Alberta—with $4,895 additional for grass seed—and another $94,631 on a golf course at Minaki, north of Kenora; and that it is also expending fabulous sums on radios and other frills and fads. No doubt also a fine new extension of contract to Sir Henry Thornton will be shortly forthcoming at a salary of $100,000 instead of $50,000. I imagine that this will also be a case of "wait and see".

I am very much surprised at the attack which has been made by this government on the Hydro Electric movement in the province of Ontario through the tax on the export of power. The export tax on electric power is a direct tax on Ontario's great municipal ownership enterprise. The Provincial Hydro Commission is bound by long term contracts which it did not execute, but which were obligations assumed when the private corporations generating electric power were taken over by the Ontario Commission. These contracts with American consumers cannot easily be cancelled. If the export duty could be passed on to the consumer all would be well. But it is impossible to cancel these contracts. That electric power should not be exported is justifiable but the action of the Dominion government is not designed to preserve power for Canadian factories, its purpose is to augment the federal revenue. The net effect of the export duty is to impose directly an unwarranted burden on local consumers in Canada. Instead of equalizing the cost of power by taxing the American exporter who is now getting power generated in Ontario away below less than cost, it increases the difference between the price paid by the Toronto manufacturer and his factory competitor in New York state, who is now getting power generated in Ontario away below less than cost. It increases the difference between the price paid by the Toronto manufacturer and his factory competitor in New York state. Two hundred thousand dollars of the four hundred thousand dollars which the government will net from this tax will be collected, not from the foreign consumer but from the municipalities in central and western Ontario. No tax could be more unfair and unwarranted in its direct effect. It is hardly possible that the government were fully aware of the unfair discrimination when the export duty was imposed. Strong representations are being made to the government by the Ontario Hydro Electric Municipalities Association to relieve this province from an intolerable burden. I may say that three hundred and forty municipalities of Ontario have been assessed for $200,000 of this $400,000 estimated in Ontario alone, and they say the people of the province of Ontario and the farmers of the province of Ontario have paid fabulous sums on this account. This movement started away back in 1905. I want to say to the farmers in and out of this House that the farmers gave to Sir Adam Beck—who may not be here with us much longer and whose illness we all regret. I trust he may get better and be long spared when he is so needed—the chief stewardship of $160,000,000 invested in Hydro-Electric on behalf of 2,200,000 shares in Hydro properties. The results that Sir Adam Beck achieved by his stewardship of hydro are set down in the following statement:

1. Every dollar of the $160,000,000 Hydro investment is earning interest and sinking fund.

2. Hydro investment saved Ontario from a coal famine that would have bankrupted the province in war time.

2. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.

4. Hydro investment saved Ontario over $100,000,000 on coal prices which would have gone to $30 per ton in war time but for the Hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

I doubt very much whether the act is legal, and I hope, as in the case of the Industrial Disputes Act, that the matter will be taken to the Privy council because the Hydro Conservatives of Ontario are the protectionist party. They supply the protectionist principles of public ownership, and if any gentleman doubts that public ownership is a protectionist principle I reply, as I did last year, that public ownership is protectionist in the true sense of utilizing the public resources of the country for the benefit of the people of the country. Protection as applied by the Hydro Conservatives of Ontario has fought the battle of the masses as against the classes, of the people against their oppressors; I mean what the Hydro Conservatives have done for the sections of Ontario that get their power from public ownership; I mean what the Hydro Conservatives of Ontario were prevented from doing for the gold mining country that is forced to get its power from private ownership. The Hydro Conservatives of Ontario supported Adam Beck in his effort to electrify the Timiskaming and Northern Ontario railway after Sir James Whitney's great victory in 1905. The Hydro Conservatives wanted to protect the mining industry with a supply of power at cost. The Hydro Conservatives believed with Sir Adam Beck that the Temiskaming and Northern Ontario railway should be electrified, and that that railway should serve as a trunk power line. From that trunk line, power could be carried to every camp opened up in the mineralized zone. I say that I doubt very much whether that act is legal. I asked some questions in regard to it, and I am sorry to say they are not answered. I doubt if anybody will answer them, and we are not allowed to put them on the order paper. It has been charged that the Conservative party was in league with the big interests. The Conservative party started the Hydro Electric movement, and I say it is doubtful whether the tax which has been imposed is legal. In regard to the legality of the tax I asked some questions, and I said:

Will the Acting Minister of Finance secure an opinion from the Department of Justice as to whether:

[Mr. Church.]

(1) The export tax on power based on an order-in-Council and on R.S.C. 6 Edward VII c. 16, which seeks to give power to impose export duty not to exceed 10 cents per annum per horsepower on power exported, is intra vires of the Parliament of Canada or not, inasmuch as the power taxed is generated from works or undertakings which are wholly within the province, and have not as yet been declared to be works or undertakings for the general advantage of Canada.

(2) That the said tax is retroactive and taxes contracts made which are wholly within the province, and that the said tax is indirect and an infringement of property and civil rights in the province and is outside the scope of subjects by section 91 of the British North America Act exclusively assigned to a federal authority;

(3) And that the international waters used to generate the direct current exported is from the surplus waters after the rights of navigation under federal control have been satisfied, and is of the surplus waters from the bed of the river, and the banks and rapids of the Niagara river wholly belonging to the province;

(4) And that such a tax could only be imposed by the province under section 92; and further that such a tax is to be levied on the export licensee who is wholly within the province, and whose long term contracts cannot be made the subject of retroactive federal taxation on many grounds;

(5) And that the said tax is ultra vires on the aforesaid and other grounds, and on the ground that the indirect method of assuring the said tax from the municipalities is an invasion of provincial and municipal rights under section 92 and is not specific against the exporter who uses and gets the benefit of the exported direct current;

(6) What machinery is, or has been, provided to collect said tax and from whom will it be collected and when, and how will, in default in payment, a collection be made and by whom?

(7) Will the minister consult with the Justice department as to whether such an indirect tax is legal, and if it can be collected from the municipalities using hydro power on a long term contract to which they have no privity, and for which they receive no consideration?

(8) Can said tax be collected without the express consent of the parliament of Canada as is proposed here based only on R.S.C. 6 Edward VII C. 16 above, and without further legislative enactment?

I believe those are good, legal grounds under which that legislation could be set aside in the Privy Council. The contest will take place in Ontario, in defence of public ownership, and in defence of $250,000,000 of the people's money. In the interests of the industries of the province the tax will have to be set aside. The Industrial Disputes Act was contested, it was declared to be ultra vires, and they spent $45,000 or $50,000 in the contest as to its validity. This tax should be contested and $100,000 should be spent on the contest if necessary.

I want to read the following despatch, which will show fairly well the situation in regard to the export of Canadian power to the United States and how it will aid a great super power trust over there and injure the Hydro in Ontario by forever holding the power exported.

Rearrangement of capital and securities of the electric power companies whose names follow, comprises the first leg of a super power merger that will extend from Niagara Falls, perhaps to San Francisco, and its component heads will endeavour to bleed Canada of several million horse power of electric energy to feed the leviathan:

Niagara Falls, N.Y., Power Company.

Canadian Niagara Power Company, Niagara Falls, Ontario.

Niagara, Lockport & Ontario Power Company.

Buffalo General Electric Company.

To make this giant caterpillar function properly, it is required that some 4,000,000 h.p. of Canadian origin be tapped, not only because that much added energy from the Ottawa and St. Lawrence sources is needed, but also if the Mellon-Harriman-Dupont interests who are planting the chain of fortresses now can get a foothold on the Ottawa, and are able to export power to United States, the Ontario Hydro Electric Power Commission will be blanketed and confined to the area in which it now gives service. The Northern Ontario pulp and mining areas will be isolated from the commission.

The companies named are preparing for the merger which, when consummated, will form the first unit of the super power merger. Buffalo General Electric Company, which serves light and power to Buffalo area at double Hydro rates, is getting ready to expand its capital to give one new share for each five now held by shareholders.

BOOSTING THE STOCK

Buffalo General Electric Company has $25,000,000 of capital, all common stock. This will be enlarged. Niagara Falls Power Company has assets of $81,000,000 including sole ownership of Canadian Niagara Power Company, the latter located at Niagara Falls, Ontario, with $3,000,000 capital, and which exports 50,000 h.p. of Canadian origin to Niagara Falls Power Company. Thence, the latter company sells power to Buffalo General Electric Company. In addition, the concerns mentioned are already tied to Niagara, Lockport and Ontario Power Company, which is a $35,000,000 corporation owning a 450-mile right of way from the Niagara river into Syracuse. So that the first unit has capital of $141,000,000 now which will be later expanded. Niagara & Lockport Company serves 2,000,000 people in 17 counties in central and western New York. Niagara Falls Power Company owns one-third of Niagara & Lockport Company, which pushes the juice generated on both sides of the falls as far as Syracuse and the rest of Niagara & Lockport Company is owned by the Aluminum Company, dominated by Mr. Mellon, Secretary of the U.S. Treasury. By interchange of power contracts, the monopoly then gets into Pennsylvania, and through the Adirondack region by means of Adirondack Power & Light Corporation, which is owned by the General Electric Company. Another tentacle is added by means of New York Utilities Company, which controls power generation and service from Syracuse to Massena, on the St. Lawrence river. Also there is connection with New England States.

All through the fields mentioned, which contain about half the population of the United States, there have been mergers of the smaller units, in preparation for a final merger into a great holding company, or at least into control of the most powerful power bankers of the United States. This includes the Harrimans, the Duponts, the Mellon group, General Electric and others, who with their subsidiaries and affiliations are dealing in 17,000,000 h.p. of electric energy. Tracing this power caterpillar, with its hundreds of subsidiary legs, from Niagara Falls to Massena, on the St. Lawrence, brings the matter to the point where Canada is directly interested, and may be most adversely affected. Well informed power men say that because Dr. MacDougall of Montreal aided Mackenzie King in the St. Antoine election, that the doctor has been promised the lease of Carillon rapid on the Ottawa, and if he gets the same, the Harriman interests will be standing ready to finance the development of that generation of power, estimated at 400,000 h.p. If the Carillon lease is given out, and if satisfactory terms of power export with the Dominion government can be stabilized, then the Mellon-Harriman-Dupont group can look forward to tapping Canada to this extent:

400,000 h.p. from Carillon rapid to be exported to United States to feed the super merger.

1,000,000 h.p. from the international area of upper St. Lawrence, to be also exported.

2,000,000 h.p. in Quebec powers to be picked up and harnessed for export to the United States.

If the Canadian end of the coup goes through, and the Americans become entrenched on the Ottawa, they will turn a valve that will throw millions of h.p. of Canadian energy across the line, following our pulp-wood, nickel, copper and other raw materials. Of the income from power sales, 7 per cent is derived from the power sale, and 93 per cent is contained in the value of what the power produces. So in all export of power, Canada gets 7 and the other fellow gets 93.

The super power merger indicated does not immediately and directly threaten the Ontario Hydro Electric Power Commission. But, if United States interests dig themselves in on the Ottawa river banks, they will block the route of Hydro from extension into the northern Ontario mining, pulp and settlement areas.

In connection with this matter it is interesting to note that the recent promulgation of the Ottawa government, in the charge of $2 per h.p. for all power exported from Canada, is already creeping into the rates charged by the Buffalo General Electric Company. That corporation has already notified customers that the consumer must pay, although how they will translate the charge into increasing a monthly electric light bill rendered in terms of so many kilowatts is difficult to determine, because such charge must be almost negligible.

That is the condition of affairs which the Hydro Electric movement in Ontario will have to fight. The Hydro system has cost some $241,000,000 and it has paid its way. There is to-day a scarcity of power in the province of Ontario and the people of Brockville, Ottawa, Peterborough, Hamilton, the Niagara district and the people of western Ontario generally are clamouring for supplies, as some of our Progressives of Ontario know. I do not see why the government should have singled out public ownership for taxation in this way. Is not the government friendly to the Hydro Electric system that it should tax it in this way without giving it a chance to answer in its own defence?

I want to say a word now with regard to the grain question. Last year I urged an export duty on hard wheat to aid in having our best grain, now going through the United States, shipped from Canada instead. I have made a year's study of this question since and have consulted experts and millers; and I have

examined the bulk of government reports on the subject. I have also taken the trouble of visiting the mixing centres in Buffalo and other parts, and I do not blame the farmers of the west for organizing to destroy the gigantic trust which to-day has the man who grows grain at such a disadvantage. I regret that lack of time will not enable me to go fully into this question, but the report which has been submitted by the commission that investigated this question is interesting in its way. We had a commission comprising a judge and two university professors looking into this subject, and I want to say that if you want to have anything impractical you have only to get university professors to report upon it. Instead of a commission of business men who know something about the matter, the government spent $200,000 on a commission consisting of a judge and two professors. I read the following from the report of the commission:

At the present time, the duty on Canadian wheat—entering the United States—is 42 cents per bushel. On wheat flour, semolina, crushed or cracked wheat, and similar wheat products, the duty is $1.04 per hundred ponuds. These duties are practically prohibitive, in their effect. They prevent Canadian wheat or wheat products having access to the American domestic market. On the other hand, under the provisions governing milling in bond and drawbacks, it is quite possible for the American millers to obtain Canadian wheat virtually free of duty to grind for export. Considerable quantities of Canadian wheat are ground in American mills and exported abroad under these conditions. This American flour ground in American mills, but the product of Canadian wheat, enters into competition with the output of the Canadian flour mills. The benefits of manufacture are lost to Canada, while at the same time, the general benefits of reciprocal free trade in wheat and wheat flour do not exist. It was suggested to us that in view of these conditions, an export duty should be levied at the same rate as in the American tariff, upon Canadian wheat and wheat products entering the United States. The American tariff having already closed effectively the domestic market to the Canadian farmers, the result of such a levy would be to eliminate the export of American flour ground from Canadian wheat, and to transfer this market to the Canadian millers. While, as a general thing, export duties are to be deprecated, the exceptional situation that arises in this instance might warrant such an import.

As I have said, during the recess I visited these mixing places, and I am one of the most surprised men in Canada that such a condition of affairs should be allowed to exist for one moment. I think that an export duty should be levied to prevent Canadian wheat from going into the United States. At present the port of Buffalo is being built up by means of Canadian wheat going there; our wheat is mixed in the United States and then shipped overseas from that country with the American certificate. There are twenty-eight elevators in Buffalo to-day, every one of which should be in Canada, and if we had an embargo not one of these elevators would remain across the line. Buffalo to-day is taking the place of Minneapolis, so much so that the millers are building elevators. I was in conversation with a Mr. Barnes, a great transportation and elevator man, and he is spending millions of dollars in this connection. I was surprised to find in a pamphlet issued in Buffalo a statement to the effect that at the present time Ontario is being drained "to make a greater Buffalo." The House will note that statement, which is significant. Now then, the sky line has been rattling some since the embargo was proposed. This is the background of the huge structure. I may say that the Washington tariff buttress against Canadian wheat and flour is a most ingenious scheme, as I pointed out, to prevent these products competing with agriculture and milling on this side of the line, while at the same time encouraging Canadians to ship as much of their grain and flour for export through the states as possible, permitting Buffalo elevators and similar warehouses in New York, Baltimore and Philadelphia to exact a rich toll from the traffic, as well as the transportation companies to levy the maximum charges for their service.

As I explained in my plea for protection of Canada's vast grain and mill traffic against foreign aggression, Buffalo boasts in every piece of literature placed before the public of the value of this Canadian business as a factor in contributing to the development of the port, and painful as this may be to the pride of Canadian people, Buffalo is guilty of no exaggeration in this boast. Buffalo publishes annually through its publicity bureau a text book of growth, industrial strength and reasons why big factories should be located here. In this volume of 224 pages there are innumerable references to what the port gets from Canada—how Ontario is being drained to make a greater Buffalo. Note this gem under the caption of "Centre of economic assembly," page 89, in the issue of March 21, 1924:

The second feature of Buffalo's market territory is the fact that Buffalo is strategically located with regard to the control of the Canadian trade. In fact, of all the American industrial centres Buffalo can claim this advantage as peculiarly her own. Canadian markets for American manufacturers is a certainty.

At this time, in spite of an unfavourable tariff, 67 per cent of Canadian purchases are made in the United States. During 1923 imports to Canada from the United States increased from $501,445,464 to $615,205,580. Three-quarters of Canada's industrial population lies within Buffalo's market territory. In fact Buffalo can be said to be the gateway to Canada. The greater Canada becomes the greater will be Buffalo's advantage as the distributing centre for the markets of Canada.

I asked an officer of one of the largest flour milling companies in Buffalo what would happen in his city if the proposal became law to have Canada put an export duty on grain and flour entering the States equal to the import duty on those products imposed by Washington. He looked serious, and replied, "I don't like to contemplate such a thing. I am afraid it would not only deal Buffalo mills and elevators a serious blow, but would be felt in these industries all over the United States. Our customs laws, of course, are for the protection of American farmers, but they are framed to permit Canadian grain and flour for export passing through the States in bond with the least possible delay. Of course, American mills must have a very considerable percentage of Canadian hard wheat to blend with United States soft wheat to manufacture the best grades of flour. This is specially necessary for the export flour trade of the United States. Our flour could not compete in the world markets where the best grain is purchased, otherwise with the Canadian article. Then, too, where our flour is shipped through the torrid zone, the soft varieties will not stand the hot, humid atmosphere with which it comes in contact. That is the reason Washington exempts Canadian grain, milled here in bond, from the operation of the 45-cent duty. If our mills could not have this trade equality with Canadian flour, I am afraid some of them would have to establish plants on the Canadian side to take care of a considerable portion of their export trade."

For 1923 the United States total flour export was 14,882,000, a monthly average of 1,248,000 barrels, 149,000 barrels less than Canadian mills exported in the month of March, 1924, and the United States monthly average for 1924 does not show the proportionate increase as recorded by the Canadian trade. Buffalo has eight great mills with a total daily capacity of 61,000 barrels, while in Canada there are a total of 1,333 mills with a combined daily capacity of 128,225 barrels though 163 of the largest account for 110,000 barrels of this daily capacity for the Dominion.

What relation to the tremendous growth of Buffalo's flour milling has the suspicion that something is wrong here in the handling of Canadian grain in bond en route to the world markets, and the flour ground in bond here from Canadian wheat? Our royal grain commission went into this matter, but no definite proof of the evil was secured, although the suspicion was very strong. Here is the way Canadian grain gets into a bonded warehouse, and the way it gets out. A vessel arrives from the Canadian lake head with grain; a customs officer is notified before it is unloaded; if it is going through in bond to the United States seaboard, after the customs officer examines the bill of lading he sees it unloaded into a bonded warehouse. The grain is in possession of the warehouse company until it is ready to continue to the seaboard. Then one of Smith's deputies is present as the grain is transferred to a freight car or Erie canal barge, or perhaps it is moving out via Montreal. The seals are broken only by a United States customs officer as it passes into the floating elevator or into the vessels at the seaboard. If one of the Buffalo mills receives a cargo to be ground into flour in bond to be shipped out of the country, a customs officer watches the transaction and sees that the quantity of flour, corresponding to the bonded grain handled, is moved on to the seaboard, and this in turn is still under the control of the United States customs until loaded into the ocean vessels. The United States government is not interested in determining the quantity of soft wheat flour "blended" with the Canadian hard wheat bonded flour, but only is seeking to prevent any of the flour from the Canadian bonded grain remaining in the United States unless the 45 cents a bushel duty has been paid.

But there have been repeated and persistent complaints from the buyers in the United Kingdom that somewhere between the time the Dominion government inspection at the head of the Canadian lakes is made and the arrival in Liverpool soft wheat is frequently mixed with these consignments. One notable case is still pending in the courts involving a claim of $35,000, the difference between the grade called for by the Dominion government certificate and what the buyers claimed was the quality of the shipment when it reached them. This cargo was sent via Baltimore and has been the subject of repeated United States investigations but if there was "bootlegging" the responsibility has not yet been determined. But the toll levied on the Canadian grain passing through the Buffaio elevators is but a fraction of the cash extracted from these products of the Canadian farmer by Amercian interests before it passes out of their hands.

You will find that the Erie barge canal is spending millions of dollars to take care of this export Canadian trade, and undoubtedly there is a big profit made by the elevators. For each bushel capacity an elevator costs from $1.50 to $2.50 per unit. This would

approximate a total cost of $50,000,000 for those handling bonded wheat in that port. Their revenue returns are based upon one cent a bushel for the grain elevated, and this represents five days' free storage with one-fourth cent charge for each seven days thereafter. For 1924 Buffalo received 152,676,218 bushels of Canadian grain. If all this paid the cent storage it would represent for these bonded elevators that cost $50,000,000 a total revenue of $1,526,762. Toledo is offering Toronto people flour milled from Canadian wheat at a price below that quoted by Canadian millers, and contracts have been made by the Toledo millers. I have particulars of these, and I intend to produce them when the Grain Act is before the House.

Grain bootlegging is very profitable. If it is done in the States here is the possible process and the profit. The duty is 45 cents a bushel, but this is not paid on the grain going through in bond. Say a hundred thousand bushel shipment of No. 1 is sent down the lakes, covered by the Dominion government certificate, loaded in a bonded elevator here or at any other port on this side, for every bushel removed and kept in the United States the saving of this 45 cent duty is gained by the fraud. For each bushel so removed, however, a bushel of United States grain must be substituted. The substituted grain might cost $1 a bushel, while that removed might cost $1.50. There is another profit of 50 cents. The bootleggers have thus an article worth, for domestic purposes, 95 cents more than it has cost them. The dilution of a hundred thousand bushel shipment of Canadian hard wheat with ten thousand bushels of United States inferior grain would not be noticed by the average United States elevator employee, even if he were looking for substitutions. Few ordinary elevator employees are graders; that is a particular science of the trade. The Canadian certificate covers the shipment. It goes through with its inferior substitute, but when it reaches the other side expert graders at once detect the difference. Then comes the adjustment, but too many alien agencies have handled the shipment in its transmission in bond to ever enable the source of the fraud to be discovered.

Obviously, with the Canadian flour under present conditions actually increasing the volume of sales in those markets over those of the United States millers, it is not difficult to understand how rapidly these foreign markets would be absolutely dominated by Dominion products if the United States millers did not have the privilege of grinding Canadian flour in bond for their export trade, coupled with the questionable advantage of the United States providing the highway through which so much Canadian grain must pass to foreign countries. Remove both these advantages enjoyed by the United States millers and the Canadian flour would have no competition worth mentioning in these thirty-three foreign markets. That is one of the possible effects of the policy I propose. All Canadian wheat milled in bond in the United States goes out to the world, of course, as Canadian flour, yet the Dominion authorities have no control over this produce from the moment it passes into the United States, though it is covered to the very point of consumption with the Dominion of Canada's certificate of quality. The state of New York is now building a huge elevator at Oswego to take care of the Canadian grain passing there from the lake boats from lake Erie, through the Welland canal. At Gowanas bay, Brooklyn, there is just now nearing completion a New York state-owned million and a half bushel elevator. Toledo has been extensively engaged in the milling of Canadian wheat taken into the United States in bond. The mixing of Canadian hard wheat and United States soft grain is very largely carried out at New York as well as at Baltimore and Philadelphia. However, when a cargo of Canadian grain, sent there in bond, is to be mixed with a percentage of American grain, the Canadian government certificate no longer protects the shipment. The Canadian certificate is cancelled and a new one is issued under the authority of the New York port authorities and grain exchange. This cargo then goes out to the world bearing what is known to the trade as a "seaboard certificate" and the mixture is stated to be of "Canadian origin." It is supposed to state definitely the percentage of the mixture in its relation to "Manitoba origin." This juggling of Canadian grain, of course, goes on without any representative of Canadian farmers or the Canadian government being present. Those interested in the process are Americans and their activities are based upon profit only. They have no concern about the quality of Canadian grades. Who knows the difference between this New York or Baltimore mixture covered by a "seaboard certificate" of Manitoba origin, and the product which has the Dominion government certificate of original inspection quality? A fleet of floating barges is made available in the harbour, say, at New York, and when the grain gets there it is mixed on the barges and there is no Canadian certificate. An embargo would stop all this. The new elevator

at Gowanas bay, Brooklyn, now nearing completion, is designed to enable the barges from the Erie state canal and grain trains from Buffalo to unload their cargoes of Canadian bonded grain expeditiously. The largest ocean liners can take on their Canadian grain at this elevator without loss of time. This new equipment will largely reduce the cost of transferring the Canadian grain from cars and barges to the floating tank elevators in the harbour, which in turn float the grain out to the ocean liners. This is a saving of time and money that will mean much in the way of holding this Canadian made traffic in an alien port.

Millions of dollars have been robbed from the farmers of the west in connection with this grain business. Since confederation we have had thirteen grain investigations, and you might as well toss all their reports into the waste paper basket for all the good they are as regards protecting the poor Canadian farmer. The farmer has my sympathy, hard worked as he is, taxed as he is, and with the intolerable conditions that he has to face. The ex-Minister of Trade and Commerce is a hard worked minister and he has been doing good work in this connection, but I would like to see him go into the matter, as well as the Minister of Railways, with a view to doing something to relieve the situation. They have the Canadian National railways and the Canadian merchant marine; let them take steps to have this Canadian grain go through Canadian channels and thus take care of some of the deficits on the Canadian National railways. If the milled grain alone could be taken care of, the $56,000,000 deficit of the Canadian National Railways would be wiped out in a year, and the elevators at present operating at Buffalo would have to come over to Canada. I have discussed this matter with experts in the United States. I met a gentleman in New York, a friend of Mr. Barnes, and he told me that many of the buyers in the British market are insisting that this Canadian wheat shall go via Vancouver or Montreal; they are trying to have it go over Canadian routes in order to put a stop to the bootlegging which has been going on at Buffalo, Toledo and New York at the expense of the poor Canadian farmer.

Mr. HAROLD PUTNAM (Colchester): Mr. Speaker, it was not my pleasure nor my leisure to hear the whole of the speech of the hon. member for North Toronto (Mr. Church). That hon. gentleman has a generosity which inspires good faith on the part of his friends. He told me in good faith that he should be concluded at a few minutes after eight o'clock, a statement which I accepted in good faith, and in the quality of that good faith there was an absolute and unrestricted reciprocity.

As I say, I did not hear the whole of that speech. The hon. gentleman never disappoints us with a speech in the factor of quantity. I have no doubt that he said a great deal that was instructive and a great deal that was logical, but it was my bad fortune, in the parts of his speech that I heard, to gather only those remarks which were uninstructive and very illogical. For instance, during the afternoon, while I was in for a few moments, he was telling us in positive and academic and unqualified terms that a high tariff was an absolute cure for unemployment. I could not help remembering that those who constitute the official opposition have warned us very unctuously not to allow any more labour to come into Canada. It is a strange coincidence that this high tariff which they idolize and which they say will fully take care of the unemployment, will hunt down the last unemployed person in Canada and set him to work at a fair living wage according to his station and degree in life, but that in the desideratum for more immigration we must not let any more labourers in, however respectable they are in the country from which they come. Against such they would put up the bars of protection sky high. But it just so happens that they could not take care of one man more of the unemployed, though exactly able to take care of all present unemployed in Canada by the simple device of high protection.

May I, at this belated stage, join with those members who, irrespective of the part of the House in which they sit, have expressed their lament that the power of sickness still detains the right hon. Finance Minister of this country (Mr. Fielding)? Those of us who have taken the opportunity of calling upon him at his home during this session are delighted to report that his health is visibly better than it was twelve months ago. I am sure that the House and the country will wish that he may regain that health which was his, notwitstanding the comparative advancement of his years; that health which was his when he applied himself to every complex problem of his wonderfully patriotic career, reserving no force of that master mind, forgetting nothing in the line of his duty except his oft earned holiday.

I am interested, Mr. Speaker, in the tactics and the attitude of the official opposition during this debate—and it may perhaps not be egotism on my part to point out in this connection that so far as actual presence in this chamber is concerned their numbers are very

few. As I understand the matter, in times past and normally any full dress debate upon the question of the tariff is reserved until the time when the budget is brought down. But in this present session we find amongst the notices of motion one from no less distinguished a member than the right hon. leader of the opposition (Mr. Meighen), praising to the vault of heaven the doctrine of protection, which by all rules of the game in the past was reserved for the introduction of the budget.

We also find that the right hon. leader of the opposition was a little bit impatient to deliver his broadside on the beauties of protection before the normal announcement of the budget, and he accepted with absolutely bad grace the fact that the day of the budget appeared before he could deliver his paeans of praise over the blessings of protection and his condemnation of any government, and in the concrete this government, if it refused to apply immediately that particular elixir to our national life. We on this side of the House are sometimes accused by those immediately opposite on the ground that the Liberal handbook, which was used here and there throughout Canada by some in compassing the defeat of the late administration, was too rosy in its promises. Well, I tell you, Mr. Speaker, that that book was one hundred miles to the leeward in moderation and modesty and in paucity of promises compared with the innocent little notice of motion put on the order paper by the right hon. leader of the opposition.

Now, why was it that there was this change of tactics? Why was it that, contrary to the history of this parliament, the amendment to the budget moved by the opposition made no mention whatever of the subject of the tariff? Well, we may in the liberty of this free country at least surmise reasons. Possibly the right hon. leader of the opposition had heard that Napoleon made it an almost irrefragible rule that he would attack the enemy rather than wait for the natural time of battle. I may be permitted to suggest another speculative reason. Possibly the keen and speculative eyes of the right hon. gentleman turned towards his left and saw the Progressives there in pretty good numbers, those who not so long ago the right hon. gentleman had named the "dilapidated annex," those same Progressives who in a comparatively brief space of time exemplified the rapidity with which retribution may follow the sin of trying to place an undeserved nickname, for in a very short time they had come back to this House with a following thirty per cent

greater in numbers than the following behind the right hon. gentleman in this selfsame House. I can fancy the right hon. leader of the opposition asking himself the question: Incorrigible as those Progressives are on the question of the tariff, is it possible that they could be wooed on the dissociated question of the alleged extravagance of this particular government? These were the tactics carried on, and I submit, Mr. Speaker, that reason dictates that the purpose is not unsearchable. By this motion there was to be a discussion of the tariff ahead of the budget, and later discussion of an amendment to the budget which makes no mention whatsoever of the normal factor of the tariff.

There are naval critics who say that in the battle of Jutland the Germans pursued tactics which for a little while at least rather took the British by surprise, and that was the device of concentrating their fire upon one British ship and sinking it before picking out another British ship for destruction from their massed fire. Naval critics actually say that those tactics not only took the British by surprise in the early stages of the battle, but that to some extent they were successful. It does seem to me that there is some homely parallel here, and that the Conservatives thought, "If we can single out the tariff by this notice of motion and get it in operation, fire well upon the tariff by that particular means, concentrate the Tory fire upon the tariff, we may have the good luck that in the low visibility of the close of a private members' day we may sink the tariff doctrine with our big guns before the Liberals and Progressives may rush up to answer the fire." I think the intention next was to concentrate the Tory fires upon the alleged horrible extravagance of this governernment in the hope that the unsophisticated and bewildered Progressives, at that stage of the battle, and in the gathering darkness, might be trapped into the expedient of joining their fire with that of their high protectionist enemies the Tories and sinking the Liberal government, only awakening in the dawn to discover in the better visibility of another day that they had united their fire with their worst tariff enemies in sinking their best allies.

Mr. Speaker, during the Great war the allies did not all admire one another as to their characteristics and customs and nationality, and perhaps even their courage, but they all did sensibly say that they would forget these minor differences while the mad war dog of Europe was still unmuzzled. There is no

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doubt that these two traps were set. There is no doubt that the first one did not go off; there is no doubt that the second one is in plain view, and I would very respectfully appeal to my Progressive brethren to have nothing whatever to do with springing the second trap. Otherwise they might find as their allies the high protectionists of this country who have made millionaires, and who see potential millionaires still in the hatching, at the expense of the great consuming people, the great general masses of the people of Canada.

I suppose most of us, Mr. Speaker, or perhaps all of us, are here as the result of a contest, and I hope we all had common sense enough to know the uncertainty of an electoral contest. No public man of any intellectual size ever assumed that an election was certain, and I suppose that humanly we all felt a little glow of pride, though it may have been only temporary, that we had, if I might use a semi-vulgar expression, beaten the other fellow. I hope we had a sympathetic feeling. I hope we realized, and tenderly realized, that that which meant for us the sunlight of victory meant for the other man the shadowy side of the mountain of defeat. I will go a step further. I dare say that we have sometimes had that searching of conscience, if we are frank, which has asked of us: After all, were our tenets, were our propaganada and our policy sufficiently better than that of the other man, and sufficiently feasible of accomplishment, to have made it fair to defeat him, to have made it ethically worth while. Now Sir, if I am right, or even if I am not right in that particular speculation, I happen to be in this House the one man whose conscience should not experience the first symptom of rebellion for having defeated my particular opponent in the contest of 1921, because, Sir, within about three short years after that rather memorable campaign he himself openly and most publicly, and without the first shadow or sign of equivocation, told the world at large that he had suffered a complete recantation of all those policies and propaganda with which he had once tried to defeat myself and the Liberal party in Colchester county. He was no less a personage than the ex-Minister of Public Works (Mr. McCurdy) in the cabinet led then by the present right hon. leader of the opposition. Now the publicity to which he resorted was spectacular. He published a pamphlet which he called A New Confession of Faith and therein he gave his complete and his absolute recantation. I remember Mr. Speaker, that in the campaign he was also a pamphleteer, and he sowed my county knee-deep with pamphlets protesting that high protection was the one hope and remedy not only for the Maritime provinces but for every area of this wide country of ours. In each case he had the front page adorned with his own picture. It may have been Apollo-like in its beauty, but I think that whether or not we all agree that the hue of political genius was upon his cheek, everybody will agree that those two pictures were exactly alike in having on his cheek the glow of good health and self-satisfaction, the picture on the pamphlet when he was opposing a lower tariff and the picture on the pamphlet when he made his confession that he was in utter and basic error in doing so. And whether there was depicted there the hue, as I say, of political genius, there was depicted the hue of the most rosy good health and self-satisfaction. Sir, in great contrast with that is the device of the patent medicine man who gives two pictures, one "before" and one "after" taking the remedy—the one "before" taking showing a man emaciated in body, shrunken in features and perhaps shrunken in conscience in the view that his latter end is rapidly approaching; and then, "after", we have the rosy cheek and the air of self-satisfaction, a complete and absolute contrast between that and the first picture. But I congratulate that mentality which belongs to the ex-Minister of Public Works. I congratulate him upon the ethical standard which evidently belongs to him so that he can swallow a dose of high protection and a dose of low protection and in each case show no possible sign that the contrasted medicine had made any perceptible difference whatsoever—in fact I think it was precisely the same photograph that was used for the two occasions.

I am inclined to congratulate the right hon. leader of the opposition—against whom personally I would find it impossible even on a limited acquaintance to wish any personal harm—I am inclined to congratulate him that he was defeated before the McCurdy conscience asserted itself and denounced the high protection which its owner had formerly preached. That hon. gentleman and I were brought up on two respective farms about a mile apart, and with apologies to the Liberals of ward 1 in the city of Halifax before whom I used this metaphor a few weeks ago when I had the honour of addressing them, I am going to use a certain illustration again. The ex-minister of Public Works and my humble self have both known the phenomenon of a hen having duck eggs placed under her at setting time. In her innocence she sets there about one week longer than the normal time.

It is true she hatches out a brood over whom she presumes she will have leadership; but it is equally true that as soon as the ducklings see a pond of water she realizes that her own leadership instantly ceases to function. The horrible, stupid, tragical part of it in the case of the ex-Minister of Public Works was that in denouncing high protection as a cure for the ills of the Maritime provinces he conceived that he was a leader of thought. He had done so great a deed as to defeat no less a great imperialist no less a great Canadian than the distinguished Minister of Finance of this country in 1911. He then assumed, perhaps very rightly so on paper, that he had hatched protectionist chickens with which he would still be able to tramp over the dry lands of Ontario. There was a war election in 1917 and perhaps for that reason the hon. gentleman thought that his brooding process had again bred protectionist chickens. But there came the election of 1921 and thereafter in the silence of his deliberations the ex-Minister of Public Works realized that he had been setting on the wrong eggs and this time instead of hatching protectionist chickens he had hatched real, web-footed, Maritime ducklings, and when they rushed into their native element the sea, he followed them to the edge of Halifax harbour waving after them his latest pamphlet and thereby trying to imitate the honest quack of a mother duck. Were I inclined to indulge in the Latin tongue to which some hon. members are prone, I should say of him sic transit gloria McCurdy. I would also say in Latin for the benefit of the right hon. leader of the opposition: "So perish every traitor." It was no discovery on the part of the ex-Minister of Public Works that we in the Maritimes have been somewhat surfeited with the medicine of high protection.

In regard to the present budget—and let me say here that I wish to congratulate the Acting Minister of Finance upon the budget that he has produced—some hon. members have seen fit to praise its diction, its clarity, and its preciseness and arrangement. It does seem to me that ought to be taken for granted for I for one would be astonished if there has been a budget since confederation as to which that preliminary and that mere literary compliment is not entirely due. I for one would be astonished if it were so. But coming to the substance of the budget, it seems to me it exhibits the qualities of carefulness, and if you like of caution, and at a time when these qualities should be at a very high premium. Because, Mr. Speaker, this is a time when we do realize as never before the differences in the economic conditions, the differences in the physical conditions, of the various provinces and the various areas which we call Canada—this far flung country. It seems to me that we realize as never before the great length, I might almost reverently say the discouragingly great length, of the country from east to west and from west to east back again; and perhaps we realize as never before that the average settled width of the country from north to south, using the word "settled" in any reasonably strong sense, is comparatively a very narrow width, and when we realize that our immigration has been checked by the war, and realize the frightful results of the war and realize also that immediately to our south there is a great country, a highly civilized country, which happens to have climatic conditions much milder than our own and which is a perpetual temptation for emigration of our people down to that country, we do come to this conclusion, that much as we desire more population, much as it is well nigh imperative in the problems we have, and particularly in our ambitious railway problems, there is no immediate prospect—and we might as well look the facts in the face—that in the very near or immediate future we shall have any material addition to our sparse population—sparse I say reverently—in comparison with our very vast area. And while I believe the low tariff people are much in the majority in this country, there is that high tariff school supported by powerful interests, which really makes two schools of thought, as to whether the tariff should be very much raised, or whether it should be greatly lowered, and therefore under all these perplexing conditions the very outline of which I have attempted merely to mention, and in presence of that double school of economic thought, I commend the acting minister, for his prudence, in bringing down a budget which in the main confessedly so closely resembles the budget of a year ago, which I believe won the approval of the vast majority of the people of Canada.

I am sorry that the hon. member for Fort William and Rainy River (Mr. Manion) is not in his seat, although possibly he has been so sufficiently bandied about within the last few days that it is not rendered necessary for any other hon. members on this side of the House to say anything in regard to the hon. member. But I have been amused at his reading of English history, when he in effect makes the sweeping assertion that protection made England and that free trade is ruining

England. I wonder if he has ever heard of the Napoleonic wars, because wars of that magnitude and the war of the great magnitude which we have experienced since that time, have dislocated all the normal and ordinary rules of business. During the Napoleonic wars the industrial situation was such on the continent of Europe, that those people who gave their energies in a death struggle very fully demonstrated that fact, and in spite of protection England saw wonderful prosperity then. Now there was the aftermath of the war. There was the readjustment which in some measure we are having, and it is a simple matter of history that England then saw terrible depression in her industries though high protection still obtained. I wonder if the hon. member for Fort William and Rainy River ever heard of the hungry forties, and I wonder if he realized, as would be my reading of it, that the industrial position of England became so desperate that Premier Sir Robert Peel took the action that he did with regard to the corn laws as an experiment. I am sorry the hon. member is not here, because I should be only too happy to discuss with him our respective interpretations of English history respecting the whole question at that time of protection and free trade.

I was interested in the contention and argument last evening of my hon. friend from Cape Breton South and Richmond (Mr. Kyte) to the effect that even in this young country high protection as such and properly divorced from controlling side issues had never won a single victory. At the expense of repeating some of his statements, and possibly with the hope of developing a little of what he stated, I wish to review very briefly the elections which have been referred to. Starting with 1878 we had the frank, the implicit, and the unequivocable promise of Sir John A. Macdonald himself that protection would only be used temporarily for those infant industries, and as a lever and a club to bring about reciprocity itself. Then we come to the election of 1883 and at that time hon. gentlemen know the industries were enjoying something of an artificial stimulus under protection, but even at that time stood the promise of Sir John A. Macdonald, which is still a clear matter of political history, that this high tariff was only a temporary expedient and that before long we would have reciprocity. Then when we come to 1887, the industries were a little older. I think the hon. member for Cape Breton pointed out that at that time we were confronted with the Revising Barristers' Act, a deliberate attempt, as those of us who are older in this House know, to defeat the free and voluntary will of the people. But apart from that, there had been the Riel rebellion in the Northwest, and all sorts of racial and religious and provincial side issues were dragged into the contest, and I think it is only fair to say that in 1887 there was no fair and separate pronouncement upon the question of protection as such. Coming to the year 1891—and I personally well remember that election—it was purely an appeal to loyalty. It was a waving of the old, old flag. It was an unctious statement of Sir John A. Macdonald in his old age: "a British subject I was born; a British subject I will die," and it sufficiently swept the heather against the economic principle of a commercial union with the United States if that were obtainable.

Coming to 1896 my hon. friends were defeated, much as they tried to hold to the front this doctrine of high protection. Then in the general election of 1911 there was a tragedy. Again the Canadian people allowed themselves to be fooled by the misappropriated cry of loyalty. In 1917 we had the War Time Elections Act and my hon. friends were successful on the canvass of prejudice. Coming to the elections of 1921, I am going to give the right hon. leader of the opposition credit for trying—and I believe he succeeded—to conduct that election upon the sole and the dissociated question of protection as such. There was no question about the right hon. gentleman's position in regard to high and "adequate" protection. He had announced his policy many months before and continued to announce it right along. There was no subterfuge and no statement that this protection was for infant industries. He had finally and fully abandoned the position Sir John Macdonald took in that respect. Week by week during that election—and I was carefully following newspaper reports of his speeches and of his tours, little expecting that I should be in the fray—I noticed that protection was to be the sole issue in the election of 1921, and he told us—and I direct the attention of hon. gentlemen directly opposite to this—that there was no danger that the public should be misled by side issues at that time. It was insisted that the high tariff of protection on the one hand, or the low tariff on the other, which was promulgated by our friends the Progressives, and largely by the Liberals as well, was the issue and the only major issue; and he told us that preliminary to that we should have an ample campaign of education. He staked his word as it were that there would be no

side issue, no minor issue, that there would be no red herring drawn across the trail this time; in 1921 we were to have a clear cut issue and decision on the question of protection as such. And I think that question was voted upon; I am absolutely of the belief that this was by far the major issue in the last campaign. With what result? With this result, that those who favoured the low tariff propaganda literally swept the country and left behind the followers of the right hon. gentleman's party, with numbers which were a record for their historic paucity.

When I go to Nova Scotia, which has been greatly in the limelight, I need not depend upon any alleged new found doctrine of my late opponent, the ex-Minister of Public Works in the last government. There is no doubt that Nova Scotia, in a proper sense of the word, is still all right. I do not know that we ever expect to be a great numerical people with teeming industries and millions of people in that little province, where our geographic position is modest and where, to be frank, we are just a little out of the way as compared with Canada as a whole. But we are not pessimists as regards the future of Nova Scotia. We, all of us, believe, as does the ex-Minister of Public Works in the late administration, that high protection after a long and more than a fair trial has done harm and harm only to the Maritime provinces. I picked up the Morning Chronicle the other day, and while it is true it is a Liberal organ, it so intelligently summarizes some figures from the census returns that I shall take the liberty of reading a portion of the article setting them forth. After showing that protection and the element of railway rates have been against us, the editorial goes on to say:

> In spite of all this, if the growth in population of New Brunswick and Nova Scotia since confederation in 1867, be compared with that of Quebec and Ontario, it will be found that Nova Scotia and New Brunswick have increased respectively by 58.74 and 53.9 per cent, while Ontario and Quebec have only increased by 110.13 and 112.42 per cent respectively. This is no startling difference when the huge free grants of extra territory which the two larger provinces have received—still at our expense—are taken into consideration along with the operations of high "protection" entirely in their favour and to our most serious disadvantage and loss. Ontario has never gained an additional representative in parliament through increase of population since confederation. She came within an ace of suffering the loss of one by the last census. Nova Scotia did gain one extra member, by the first census after confederation, that of 1871. Her losses, since then, began under and have kept pace with the "National Policy" of high protection for the advancement of central Canada.
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> To show how that policy has affected Ontario as well as Nova Scotia, a few facts will suffice. These facts will show, at the same time, that tariff "protection" is for the exclusive benefit of cities and towns at the expense of rural communities. In brief, then, the facts are that 35 counties of Ontario lost 78,000 in population between 1911 and 1921. Thirty-five counties are, all but one, twice the number of counties in Nova Scotia. Yet in those ten years Nova Scotia's eighteen counties made an increase of nearly 25,000 population. The thirty-five Ontario counties made very considerable progress towards becoming a "Withered Arm," because they were unduly and improperly taxed for the upbuilding of the cities and towns of that province. Nova Scotia was blighted by the same means, but held back of the "withering" stage.
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> Nova Scotia was an old settled country at confederation. In the preceding 120 years she had gained a population of only 330,000. She has increased this by 200,000 in the fifty odd years since confederation. The prairie provinces, relatively, are now where Nova Scotia was at confederation. Their days of rapid growth are as definitely over as are ours. The next twenty years will tell where the "Withered Arm," if it exists, will have to be looked for.

That is more concisely put than I could state it, and it expresses the effect of the operation of protection so clearly that I have taken the liberty of reading it to the House.

Our friends of the official opposition are prone to twit us with the commercial treaties we have sought afar, such notably as the French and Italian treaties as well as the suggested Australian treaty, and they have declared that these treaties do not amount to very much, being hardly worth the time, the effort and the ambition which this government has spent upon them. All I can say to that is that it does not lie in the mouths of these hon. gentlemen to make any such criticism, because in 1911 there was the golden opportunity, to defeat which they immediately lined up their followers, by the means they employed. If we had then achieved the reciprocity which was offered us by the United States, and as we thought honourably offered by Canada in return, we should not have needed to send our missionaries over the earth to search out infinitely inferior trade treaties. We missed an opportunity which possibly may never occur again; and, if I am not using slang, it makes me a little bit tired and decidedly impatient to sit here and listen to the official Tories twitting us about the trade treaties which we are trying to secure in lieu of that master treaty which we could have had with the United States. I say that it does not come well from hon. gentlemen to suggest that these treaties are not of so much importance.

I do not know precisely the attitude of the Conservative opposition towards our coal duty which we recently raised as respects slack coal. I do know, however, though I am not in a coal county, that 50 cents a ton on slack coal is a lesser ad valorem duty to-day than 14 cents was formerly. As I understand it,

slack coal is in its initial stage a waste, something comparable to the sawdust which the lumberman encounters in getting his lumber sawn. If that sawdust comprised about 50 per cent, instead of a very small proportion, of the actual lumber, the comparison would be almost complete. The fact is that with the American slack coal coming in, this by-product of the coal industry in Canada was well nigh a waste to our coal operators. But by putting the duty up to 50 cents on slack coal we think the coal operators of Nova Scotia will be able to ship about half a million more tons of slack coal into the market and sell it at a small profit.

Do not tell any Nova Scotian that that change is going to raise the price of round coal, because it is not. It will be far more apt to have the effect of slightly reducing the price, inasmuch as by getting a better price for what otherwise would be his waste product the mine operator will produce coal on the whole cheaper than he did before. I am willing to admit that it is somewhat of a reversal of the trend towards a lower tariff. But we have to recognize this fact, as it was succinctly stated to me this afternoon by a very bright member of the press gallery—that confederation to be held together seeks resort after resort to artificial means. I admit that on economic grounds the raising of the tariff upon slack coal is something of an artificial means. I had no patience with my good friend from Brome (Mr. McMaster) when he said that we were not entitled to this assistance, and that if Nova Scotia coal could not be placed in New England at a living profit we should let the mines go down. If we go back to the time of confederation—and surely nobody will discount the promises of leading Canadians at that time—we were told and openly encouraged to believe that our coal mines were a part of the great contemplated Canadian partnership assets, and that the coal of Nova Scotia would be burned in the grates of Ontario. The hon. member for Brome cannot tell us now, with any semblance of justice, fair play or equity, that it just depends on whether it is a strictly economic transaction, and that if we cannot mine our coal under the conditions of profit we have to go out of business, we have to throw that pride of asset out of the reckoning of confederation as a whole.

I have another view on this coal question, Mr. Speaker, which I think probably has not been touched in the economic aspect. During the Great war the coal fields of Sydney helped at one stroke materially to bring victory to the Allies. The armed minions of the British navy saw to it that the warships, the troop ships and the freight ships were assembled at Sydney, carefully guarded and bunkered, so that we were dependent on no nation outside the British Empire to get our supplies and men overseas, and to keep open the arteries of commerce, which was a tremendous and spectacular undertaking. We are not so far advanced towards universal peace that we have any proof that Armageddon may not come again. During the last war the government put an embargo against the export of Canadian coal, showing that we would take no chances in the winning of that tremendous struggle, and that we appreciated the strategic position of Sydney with its coal fields nearer to the pivotal points of the world than those of any other part of Canada. Therefore for that reason I say we should never allow these coal mines to be dismantled. There can be no economic profit for the British government to keep great stores of ammunitions, but it is a preservation against the storm. Our coal fields at Sydney, in Cape Breton and in Nova Scotia generally are directly in that category, and I say that if all other economic reasons for this duty were absolutely unsound, we should preserve these coal mines in working order against any such horrible and unexpected contingency as that which we passed through only a few years ago. The people who know this business tell me that you cannot drop a coal mine like a pitch fork and take it up again when you please; you have to keep it open, you have to keep it running practically to capacity to be able to draw upon it in case of emergency.

I have alluded to the position of my opponent the ex-Minister of Public Works in the late government. When I read that pamphlet of his I found he said that if we cannot get rid of this high fence of protection we in the Maritime provinces might as well cut the painter so far as the Canadian connection is concerned. I have a personal friend in this House in the hon. member for Springfield (Mr. Hoey). He said something a little along the same lines, and the Tory press from one end of the country to the other proceeded to denounce him as a traitor to confederation and a dangerous demagogue, and I cannot remember the variety of anathema which they poured out against him. It is wonderful that the ex-Minister of Public Works in the late government so well escaped the adverse criticism that fell to the lot of the hon. member for Springfield. I would say of the latter gentleman that a better Canadian, a more intelligent or more fearless member, one who understands the spirit of our constitution better, one who is

more widely read and a more thorough all-round Britisher, does not in my humble opinion sit in this parliament. And I only want to say that if these denunciations are to be continued, he has the company of a gentleman very recently a minister in the government led by my right hon. friend. But I think the statements of these two hon. gentlemen are capable of a reasonable interpretation. The hon. member for Springfield does not make the stupid mistake in that regard of thinking that he is a leader of public opinion, although his ability is widely recognized. My late opponent, the ex-Minister of Public Works in the late government, does evidently profess to think that his conversion made of him a leader of thought. The hon. member for Springfield did not come out with any flamboyant pamphlet with his portrait on the first page. What those two hon. gentlemen said was in effect simply this: There is a way to have even-handed justice dealt out to the various sections of this Dominion, there is a way to do it before it is too late, and if you could imagine a state of affairs wherein we could not do it, why what is the good of maintaining confederation at all? You might as well tell me that if I put up at an hotel and said to my host, "If you don't give me fair accommodation here I will not stay," it would not be other than a simple and firm invitation to the host to treat me fairly. It would be intended to bring results and would succeed. And we in the Maritime provinces, with our friends in the west, do feel that under the scheme of confederation we have not yet got anything like even-handed justice, and that the chief factor against that justice which we seek is the bane of this high protection, which the hon. member for North Toronto (Mr. Church) was extolling with his last utterance to-night when he left By-town for Hog-town.

Now, if we take the $344,000,000 representing the revenue of this country, I think it will be enlightening to tens of thousands of hard-shelled Tories and high protectionists to find that only 31 per cent of that revenue, or less than one-third, is made up from customs duties. I approached an otherwise intelligent man in the last Dominion election to vote against the forces of high protection, but I could not persuade him that high protection was not the be-all and the end-all of our national existence; he seemed to think that protection was the one idol which was our salvation and our sure and only means of revenue. I am sure that when I see him again and tell him, "Why, my good man, less than one-third of the money that is necessary to carry on the country is obtained from that idol of protection of yours," he will begin to see that there are other and more open and manly ways of raising the revenue than by this subterranean method of the tariff. There is a sales tax and there is an income tax. I admit that taxation in any form is never welcome, and these two forms of taxation are no exception. But they have at least this virtue, that they are collected in the daylight, whereas this 31 per cent coming from customs duties is collected in the dark. I hope that the government will diminish more and more the percentage that comes from the customs tariff.

Our Progressive friends have been subjected to tactics which do no credit either to their intelligence or to their astuteness. I would not assume to dictate to them, but I would ask them, in the presence of those who have been responsible for the tactics to which I have alluded, to be very careful about giving their imprimatur to the high protectionist tactics involved in the innocent notice of motion that I have mentioned, and the budget amendment which contains no reference to tariff. These are tactics which, I submit, are divested of every element of candour and good faith.

As to my statement that the hon. member for Springfield (Mr. Hoey) said nothing more un-Canadian than my opponent in the last election, the ex-Minister of Public Works under the late government, I wish to say that the hon. member said nothing more un-Canadian—it was not un-Canadian at all—than Mayor Murphy of Halifax said the other day when the Maritime delegation came here to press for their rights and to supplement the efforts of the Maritime province members in this parliament. Most hon. members heard what he properly said.

In conclusion, I merely wish to congratulate the Acting Minister of Finance upon the fact that his budget is commanding the support of the hon. member for West Calgary (Mr. Shaw). The hon. member is the leader of a non-negligible group in this House, and last session he voted for an amendment which condemned the government for not proceeding more rapidly toward the goal of a very low tariff. I think therein we have some indication that the public at large appreciate with the rate of geometric progression the difficulties which the government has to face and realize that after all we are making steady progress toward better financial conditions through the destruction of the idol of super-high protection.

Mr. A. L. HODGINS (East Middlesex): Mr. Speaker, I have listened with a great deal of pleasure to the hon. member for Colchester (Mr. Putnam), and so far as the Progressives are concerned I do not think they can find much fault with his speech. I have listened attentively to the different speeches which have been made during this debate, and I find myself largely in accord with one hon. member who spoke last night and who said that after listening to all the speeches that have been made and after reading a good many of the criticisms in the press he was still at a loss to know just what the financial condition of the country was. However, of one thing we may be sure, and that is that we are still in debt. If the debt is not piled up in one way it is another; if it is not increased in connection with ordinary expenditure we have it added to by the outlay in connection with our national railroads. If our governments would devote as much energy to the reduction of expenditure as they do to the levying of taxation, I think we could make our budgets balance a great deal better than we do. We can only balance our budget, it seems to me, either by reducing expenditure or by increasing taxation; and I think hon. members will agree with me when I say that the people to-day are taxed almost to the limit.

When I first heard the budget speech of this year I did not think there was much in it to find fault with, but when I read it over a little more carefully and gave a little more consideration to it, I found there was more in it than I thought there was. But I am glad to say that the most objectionable feature of the budget has been withdrawn, namely, the clause regarding the dumping duty. There are other objectionable features in the budget and they might well be withdrawn without making the budget unacceptable. But I regard the budget as more objectionable for the things it does not contain than for the things it does contain.

Regarding the stamp tax, I cannot say that I am very much against the idea of placing such a tax on any form of paper which amounts to the same thing as a cheque. It is a system of direct taxation, and although I believe it will hit the farming class more than any other section of the people—because ultimately the farmers have to pay a great part of the taxes anyway—it is all right to have fair direct taxation. To that part of the budget, therefore, I would not object very seriously.

With regard to the tariff board I shall not say very much, because the hour is getting late and I am going to cut my remarks very short. I do not believe a tariff board is necessary at all. We surely have machinery enough in the departments at Ottawa to furnish any information that may be required in order that the government may establish a tariff that is necessary to carry on the business of this country. I agree with the hon. member for Springfield (Mr. Hoey) that this board will be a smoke screen behind which the government will get in the matter of tariff. A tariff commission is something that was advocated by the late government, and now it is advocated by the present government. I hope that if the Progressives occupy the government benches they will never advocate anything of this description.

In listening to the debates in this House I have been wondering whether there is any central part of this Dominion. We have heard a good deal about the east and a good deal about the west; but after listening to the hon. member for East York (Mr. Harris) last night, I came to the conclusion that there was a central part of Canada and that it could be heard from coast to coast. But in Ontario we have a province that we can well be proud of. It might be inferred from many of the speeches that are heard in this House that Ontario as a whole was in favour of high tariffs; that the people of the province could not subsist without high tariff protection. But I want to say here and now that over forty per cent of the people of Ontario live in the rural districts, and from the representation in this House at present it can readily be seen that a large percentage of the people of Ontario are not very high protectionists.

I happen to come from what we think is one of the best districts in Ontario. I am situated down in that southwestern corner which is highly industrialized and which has some of the best farming lands in the Dominion of Canada. Yet in that western peninsula of Ontario, which comprises fourteen counties and contains 13,550 square miles, we produce 26 per cent of the manufactured goods, 45 per cent of the field crops, and 49 per cent of the live stock of the province. Then when we consider that this same province produces about 50 per cent of the manufactured goods, 23 per cent of the field crops, and 32 per cent of the live stock of Canada, we can realize that this portion of our country at least is no mean portion of Canada. Yet even in this well favoured portion of Canada, what are our conditions? We find that there are there over 100,000 acres of good, tillable land lying idle or in pasture, and some 235,000 acres offered for sale. In this same portion, in the

year 1919, there was a survey made by the officials of the Agricultural College, Guelph, of over thirty farms in the immediate vicinity of the city of London, and what is the condition on those farms? This survey showed that on these thirty farms the average labour income was $778. There was an average taken as respects size, from 150 to 200 acres, and this $778 is the labour income not only for the farmer himself but for the whole family, and on a great many of our Ontario farms, as well as on other farms I believe throughout the country, the housewife earns I think fully as much as the man himself.

The hon. member for South York (Mr. Maclean) a few evenings ago brought up the question of placing a high protective duty on early fruits and vegetables. This is a matter which I happen to know a little about, being situated in a district where this business is carried on quite extensively. London has a population of some 60,000 people. For its size, it is a city whose market cannot be beaten I think by any place in this Dominion. Around that city there are a number of market gardeners, and they have been doing very well I believe, so well that instead of having a zone of market gardens around the city of London for only one or two miles, that zone has been extended until produce now comes into the city from as high as fifty miles away. The automobile, sir, I think is more a cause of the hardships of the market gardeners than any low tariff business we have in this country to-day. I will admit, however, that there are some early fruits and vegetables coming in from the United States, but if we were to put a high duty on these products coming in, what would be the outcome? As soon as the duty goes on, the price goes up, and that means the consumer has to pay just that much more. Then what is the result? The one who purchases those articles, no matter whether he is a workman, a capitalist or anybody else, has to have more money in order that he can keep up his standard of living. His cost of living goes up, and if he happens to be an employee he asks his employer for more money, and his employer under present conditions has to give him an increase. Then the employer in turn has to get more for the goods he produces in order that he can afford to pay his employee. Then the tax is passed on from one to the other until finally it falls on the shoulders of someone who cannot pass it on, and in the great majority of cases that is the man who produces the goods on the soil, the farmer. I would like to quote in this connection the opinion of one who I think knows more about this subject than I do, and that is a man who was invited by the Ontario Vegetable Growers' Association to address them at their convention held last winter in the King Edward Hotel, Toronto, a man by the name of Mr. Norwood. He came from the United States, but what connection he has with the vegetable business I personally do not know. The Ontario Vegetable Growers' Association, however, I presume thought well to invite him, and therefore I think his word should go as a quotation. He says:

> You are labouring under a false impression when you think that these southern fruit and vegetables are produced by cheap labour. Cheap labour is all used for cotton production in the south. The Japanese at one time threatened the truck interests in California, but with the passing of recent anti-oriental legislation growing is again in the hands of intelligent white men.

The report goes on:

> Mr. Norwood claimed that the northern states had been harder hit than Canada by the competition of the south, but in many cases they were meeting this invasion successfully by improved marketing. He intimated that Ontario growers would be rather ahead to pay less attention to tariff matters and concentrate on modern selling methods. He used the Milwaukee situation as an example. The growers in that section are less favoured than those in Ontario in the matter of climate and soil, yet to-day they are holding their own local markets against all comers.

We have listened to some speeches in this House, Mr. Speaker, which would lead us to believe that Canada was going, I might say, almost to the bow-wows. But in looking over the growth of Canada during the past number of years I was amazed at the growth that has taken place in this Canada of ours in spite of the hard luck stories which we hear. The increase in the last twenty years is in population 65 per cent; in trade 407 per cent; field crop production 400 per cent; railway tariff receipts 525 per cent; exports of agricultural products, 1,300 per cent; exports of wood and wood products, three times as great; wheat crop, seven times as great; mineral production, 117 per cent increase; manufactured goods 70,000 per cent increase, which I think is pretty good; capital in manufacturing, 70 per cent increase. Canada's trade per capita is the greatest of any country in the world except New Zealand. Our export trade per capita in 1924 was $112.60; that of the United States, $40; Great Britain, $80. Our imports per capita were $96.22.

We have continually heard about the ruination of business, the unemployed and the empty dinner pail, but, Sir, I believe that we could furnish work for thousands of people on the farms of this country to-day if we were able to pay them sufficient wages to compete with those paid in other walks of life. I have prepared here a short table which is largely taken

11 p.m.

from the Labour Gazette published by this government. I have checked this report over so far as I could from my own knowledge of affairs in this country, and I find it correct so far as I know. I find that the wages paid to employees in different walks of life in Canada are as follows, and except for agriculture, which takes in a day of from ten to twelve hours, the other occupations are figured on a nine-hour day:

	Per day
Agriculture	$ 2 00
Mining	4 00
Railways	4 50
Lumbering	3 60
Miscellaneous factory	5 40
Boot and shoe	4 50
Rubber	4 50
Furniture	4 00
Carriage	3 75
Pulp and paper	3 75
Meat packing	4 50
Brick layers	9 00
Carpenters	8 00
Electrical workers	7 20
Painters	6 25
Plasterers	11 25
Plumbers	8 00
Stone cutters	9 00
Labourers	4 50
Blacksmiths	5 00
Boiler makers	6 25
Machinists	5 40
Moulders	5 40
Sheet metal workers	6 25

You will notice that the farm labourers, the men who are hired on the farm are only paid one-half the amount that men in other occupations receive.

An hon. MEMBER: What are the farm labourers paid?

Mr. HODGINS: Two dollars a day. That includes board also. Now, as I said a moment ago, I believe we could furnish work on the farm for thousands of people in this country. But I believe there are some who are placed in circumstances and environment from which they cannot escape. There are I think such cases in the Maritime provinces at the present time. With those cases I sympathize, but it seems to me from what I can find out about the Nova Scotia situation that it is economically impossible to work those mines at the present time. Coal can be produced in United States mines at a price so much cheaper than the coal from the mines in Nova Scotia that I do not see how it is possible to profitably operate the latter.

A lot of reasons have been given in this House for the existence of hard times, depression in business and similar conditions. I think one of the main reasons why we have hard times in Canada to-day is the financial system which we have, or rather the working out of that system. Indeed it affects our business to a greater extent than any tariff policy that could be adopted, and it is time the existing system should be remodelled. If that is not done we should have an entirely new system. I suggest that we try out the system of co-operative banks with a federal reserve bank over it. All our bankers, I believe, are good straightforward and honest men. I think they are trying to do their duty but they are too slow and conservative to keep up with the business of the country. The damage to our business is largely done even before the bankers wake up and realize their responsibility and the condition that matters are in. If they would become leaders in their respective communities instead of being satisfied with being trailers it would make a wonderful difference in our business life. While speaking about the banking business of the country I should like to follow the example of the hon. member for West Kootenay (Mr. Humphrey) and remind the government that there are a great many people scattered throughout Canada who would like it to bring in a measure for the relief of the depositors of the Home Bank. In view of the report of the special committee appointed last session to investigate the matter I cannot see how the present government can get away from its responsibility, and I sincerely hope that it will not try to do so.

Now I should like for a moment or two to speak about a business that has been much discussed in this House at one time or another, and that is the woollen industry of Canada. A few days ago the hon. member for Dufferin (Mr. Woods) made a statement regarding the woollen industry carried on in a mill in his constituency. A day or two afterwards the statement was contradicted in part at least, by the hon. member for Vancouver Centre (Mr. Stevens). I do not know anything about that particular industry, but I do know something about other industries that are conducted along the same line. I picked up a clipping from the Toronto Globe a short time ago; it is very brief and I will read it to the House. It says:

> The Milton Worsted Yarn and Spinning Mills Company has a flourishing industry here. It employs 150 hands and for a long time has operated day and night—one shift from 7 a.m. to 5 p.m. and the other from 7 p.m. to 6 a.m.

That does not look very much like going out of business. A short time ago I had occasion to visit a little town situated not very far from Ottawa where there are four woollen mills in full operation. They are not only running full time but are making money in doing so. Sometimes gloomy statements

in regard to industrial conditions are made by hon. members to my right, and afterwards we find out that the conditions are altogether different from what they were represented to be. So I think that the talk of hard times, so far as manufacturing is concerned, is largely bunk. It is only a short time since I had a conversation with one of the leading citizens in the city of London who is carrying on a large manufacturing business there. That same man is crying out at the present time for high protection. He is a man of about fifty years of age and he told me in conversation that he started in as a young man with practically nothing except his own head and hands and to-day he is worth $80,000. Now it is not too bad when men who are carrying on business are making money as fast as that man is, and I could cite you other cases of the kind. These men should not be asking for high protection to-day at the expense of somebody else in view of the success which has awarded their efforts and the privileges they enjoy.

There is another matter to which I would like to direct the attention of the House for a moment or two and that is the railroad situation in this country. I understand the subject will be introduced here later on, and so I shall only apend a very few moments in discussing it. We all know our railway indebtedness is piling up year after year, and we as Canadian citizens must put forth every effort in order that the existing situation may be remedied. The hon. member for North Waterloo (Mr. Euler) stated the other day that by cutting out duplication in railway services on the part of the Canadian Pacific and the Canadian National Railways a saving of about $75,000,000 might be effected. I do not know whether the statement is absolutely true or not but I have a good deal of confidence in the opinion of the hon. gentleman on this question because he has given it considerable study, but even if the saving were only one-half the amount stated it would be well worth considering. Furthermore, our freight rates, as everybody knows, have got into a tangled state at the present time, and the government, parliament and the railway commission, and other authorities are trying to unravel the snarl The west thinks it is imposed on, the east is sure that it is suffering from an imposition, and Ontario has the idea that she is paying for the deficit at both ends. Even in Ontario there is discrimination between different points in the same neighbourhood, and these things cannot continue.

I should like to say a word in regard to egg inspection throughout this country. I want to say that I am very much in favour of egg inspection—the most rigid inspection in the case of importations and exportations of eggs. I was very pleased to hear the statement of one of the hon. members for British Columbia the other day that on account of the inspection of eggs importations from the United States had been reduced—I think some six millions dozens in two years. It was gratifying to hear that, but I say that the inspection of eggs in our domestic trade is a nuisance to the farmers, to the storekeepers and to those buying the eggs in the cities. I think the difficulty could be overcome in some way. Our storekeepers or our ordinary grocers are absolutely refusing to have anything to do with eggs on account of the inspection they have to go through, and if provision could be made that the names of the owners of the eggs should be placed on the wagons or crates, so that the people would know from whom they were buying, it would save a lot of inconvenience among the farmers as well as the purchasers of the goods.

There is another matter on which I would like to express an opinion. I have several items before me but I will omit them. The matter to which I wish to refer is regarding co-operative buying and selling. I think, Sir, that the system of distribution that has been established in this country is one of the most expensive systems that it is possible for the mind of man to think of. In a great many cases it costs more to place our goods on the market than it does to manufacture them. We have the profits of the retailers averaging anywhere from 30 to 300 per cent. Then we have the profits of the wholesalers on top of that, and on top of that again we have one jobber, and may be in some cases two or three; and by the time the goods get to the consumer they are sold at about two or three times the price at which they left the manufacturers' hands. I think our costly system of distribution has more to do with the high cost of living than even the profits the manufacturers are getting. I would say that the best way for our manufacturers to overcome foreign competition is to put up an article which is just as good or a little better than the imported article. I believe the people of Canada to-day want to buy Canadian made articles if they can get them just as good. It is our duty I think to buy Canadian goods, to build up our home industries where possible, and I think we all as loyal Canadians will do our utmost in this regard. In closing, I should like to quote a few words from a gentleman who is well known in this House. I refer to Mr. Tom Moore. I do not always

agree with everything he says, but this struck me as so good that I will repeat it in the House:

> Have toleration for the view of others, even when they are most antagonistic; give to every man his just say, seek for points of contact instead of points of disagreement. If these simple things were adopted in letter and spirit by the employers and employees of this country, unrest would vanish, the work of confederation would be complete, and we would not have nine separate provinces politically allied, but a Canada, unified, happy and industrially content.

This is a fine idea to hold forth, and if we could only imbibe the same spirit in the different sections of Canada, and between the different occupations as well as between the employees and the employer, I think it would bode well for the future.

Mr. GEORGES BOUCHARD (Kamouraska): Mr. Speaker, in rising to speak on the budget, and after having heard the volume of oratory already devoted to this subject, I cannot refrain from thinking of the pregnant words of two deputies, in the French parliament, at the first post-war session. One of them said:

> In this time of reconstruction, let us stop talking and really get down to work! . . . .

And the other:

> Spade work is far more valuable than speeches!

These words, Mr. Speaker, may appear paradoxical when applied to this House, where speech making is an essential of the proceedings. The idea I want to convey, however, is that instead of indulging in empty talk which has no relation to present conditions, we should confine ourselves to constructive discussion. This then will be my objective in the remarks that I am about to make.

It is an axiomatic statement that agriculture is, and will be for many years to come, the basic industry in Canada. Consequently, it is my intention to speak primarily from the standpoint of those who are directly engaged in this important industry; and my outstanding reasons for adopting this attitude are first and foremost the fact that I represent a constituency which from its earliest history has been and still is essentially agricultural.

In addition, records show that in 1680 the founder of my family on Canadian soil, was established as a farmer in Rivière-Ouelle, where the best farms of the district are still to be found, and from that date until to-day, there has been an uninterrupted succession of his descendants who by the sweat of their brow have formed and developed other districts in this and surrounding counties. As a matter of fact, my father and brother are at present working a farm which was opened up by one of my forefathers, and which is only a short distance from the spot where my Norman ancestors first settled.

Furthermore, in my earliest childhood, it was one of my greatest pleasures to follow my father as he turned the long furrows of sweet smelling earth; and in later years during my youth, it was my duty to participate in all the activities of the farm.

Impelled by the inherited love of the soil and inspired by this first hand contact with it, I then spent several years studying the principles of scientific agriculture in various countries. May I mention incidentally, for the information of my Scottish friends, that among the most pleasant memories of that period of my life, are those of the time spent working for a full season on a farm in bonnie Scotland, near Kilmarnock. It may be safer to add however that these memories have no connection whatever with the product for which this part of Scotland is world famous.

The past ten years spent in my professional capacity working side by side, hand in hand with the farmers and their sons, who are specially trained in the agricultural college of my district, have given me a further insight into and have familiarized me with the needs of our farming communities.

Representing as I do an agricultural constituency, being rooted into the Canadian soil through my pioneer ancestors and ten generations of settlers and farmers, having personally experienced both the theory and practice of farming, you readily understand, Mr. Speaker, it is not only my right, but also my natural inclination and duty to deal with the agricultural aspect of this budget and of other pieces of legislation. May I add, that being a descendant from those hardy pioneers who wrested their living from the land by the strength of their arms, and who did not measure their prosperity by the difference between their income and their expenditure, but rather by the pleasure of home life and the contentment which follow an arduous task well accomplished, I cannot subscribe to or condone the spirit of pessimism which has found its expression in many of the speeches emanating from certain quarters of this House. We must remember that pessimism is the worst of all pests; and had it not been for the undying optimism, the unquenchable hope and the undaunted courage of those who made this country, in the face of difficulties far greater than exist to-day, Canada would never have reached her present stage of development.

My sympathy for the farmers would make me the last one in this House, Mr. Speaker,

to find in the precedent of past sacrifices a ground for future privations on the part of the agricultural class. The farmer being a vital factor in our basic industry is entitled to the fullest possible consideration by the government. On the other hand, actual conditions must be taken into account, and I do not favour any Utopian scheme which has no practical basis and which can only serve to break down the courage by giving false hope to a credulous people. No one can deny that Canada, in common with other countries, is now passing through a crisis due in part to post-war deflation of value, but also in part to the extravagances, excesses and want of forethought of the previous government. If the statesmen of that time had been far-sighted enough to provide means for the part payment of war expenditures out of the surplus profits derived through war-time industrial activities, many of our ills would have been partly cured automatically, and this government would not have inherited such a heavy burden and a hard task.

Whatever may be the causes of these difficulties in our national life, or of those abnormal conditions, we must bear in mind, in any discussion looking towards improvement that each class of the community must bear its portion of the inevitable sacrifices imposed during the reconstruction period. I do not believe that any universal panacea, even a tariff policy, can be found that will instantaneously remove all our evils. Not being one of those mountebanks who believe in an all-embracing cure for every ill, I would rather deal with some special feature of existing and possible legislation which has been or may be a valuable factor in the improvement of our agricultural conditions.

Rather than dealing specifically with the budget of this year, which so far as the interest of the farmer is concerned is practically identical with that of last year, I will simply state that, in my opinion, it marks a further step in the right direction, and tends to relieve the farmers of some burdens which have been pressing very heavily upon them.

The taking off of the sales tax on agricultural implements and the reduction of the import duty on them, has resulted in substantial savings for those farmers who are compelled to purchase one or other of these implements nearly every year. I would like however to touch lightly upon certain features of the agricultural situation which would appear to merit special attention at this time.

Let us consider for a few minutes the situation with regard to horse breeding in Canada. As you are all aware, the first horse brought into Quebec in 1647 was to be presented to the governor, M. Montmagny, and the importation of horses continued until 1660, when, on account of the prominence given to horses to the detriment of the raising of cattle, the Intendant, Raudot, had to issue an order to the effect that the increasing of the number of horses was not to be continued. You are all aware also that the first Clydesdale was introduced in 1840, the first Percheron in 1855, the first Suffolk in 1868, the first Shire in 1883 and the first Belgian in 1902. Since that time, the horse breeding industry developed to such an extent that the great championship at the Chicago International Exhibition last year, was awarded to a Canadian breeder and the Clydesdales from Saskatchewan were awarded all the stallion championships.

During the war and also in the immediate post-war period, the great demand was for quick transportation, irrespective of cost. It was not only necessary to produce but to produce rapidly at any cost and also to put the products on the market at the earliest possible moment. As a consequence, the horse, both for work purposes and as a means of transportation, was largely displaced by tractors and auto trucks. This condition of affairs continued until the replacement of these tractors became necessary, when many farmers and others began to realize that the capital investment and overhead expense were disproportionate to the result obtained as compared with the use of horses. Those who have weighed the evidence in this connection have come to the conclusion that in many cases home grown living motors, whose fuel consists of hay and oats rather than gasoline, is the more economical. This has been accentuated by the fact that the price of horses has decreased more rapidly than that of motors and tractors. Unfortunately, in the meantime, and before the changing conditions were fully realized, not only was the breeding of horses neglected but the colts were underfed to such an extent as to prevent their full development. At the present moment, judging from the information which I have obtained from the west and also by the results of an auction sale of pure bred Percherons at St. Anne de la Pocatiere, where the raising of this breed was initiated some ten years ago, that corner has now been turned, so far as this industry is concerned, and there is every prospect of it flourishing again in the future. Just here, may I quote an article from a local paper indicating how quickly these horses were sold.

The auction of registered Percheron horses, which took place on Wednesday, was a fair success. Notwithstanding the rain and the bad condition of the roads, the crowd was quite a large one and the bidding was lively enough and even at times very contested.

Fourteen picked animals were sold at prices varying from $350 to $800. These horses thus distributed in the various parts of the province will greatly help in improving the breeding of the Percheron horse. Another practical result of this auction sale will be to advertise throughout the province what an excellent centre for breeding of Percherons there exists at Ste. Anne de la Pocatière and in its vicinity, and thus encourage the breeders of that district to further rear good horses for breeding purposes, thanks to the assurance they have of being able to sell their animals at profitable prices.

As in the case of all agricultural organizations, it was the Revs. Messrs. J. Bois and M. Godbout who saw to all the details of this first sale, we must therefore congratulate them on their success.

The farmers in each province are waking up to the situation and are asking for further co-operation from the government. Might I ask the hon. Minister of Agriculture (Mr. Motherwell), who is always ready to meet our farmers half way in anything that pertains to real progress, to give special attention to this phase of the live stock industry? In particular, I would respectfully call his attention to the difficulties experienced in the application of the law regarding the bonusing of pure bred stallions. The act may be quite satisfactory to the west, where the farms for the most part are large and where breeding is conducted on a large scale, but in the east we are confronted with many difficulties in its application. Some of these difficulties are outlined in letters which I have received from several horse breeding associations, and which I will send to the hon. minister for his information. I feel sure that he will take up this question with his departmental officers and the horse breeders with a view to arranging for some modification that will meet the requirements of the whole Dominion, and so further this increasingly important industry for the benefit of the farmers at large. I am specially confident of this because of the efficiency with which a very similar situation was dealt with regarding another branch of agriculture. If I refer now to the sheep industry it is not so much because of its comparative importance, but rather because its development furnishes the most striking example of the results which may be obtained through a sane departmental policy, combined with an efficient co-operation between federal and provincial agencies. Notwithstanding the fact that for many years the agricultural societies in the province of Quebec had been working for the improvement of this industry by a bonusing system, the farmers did not avail themselves of the opportunities offered, and as a consequence until very recently this line of agricultural activity was almost stagnant in many parts of the province. What step was then taken to remedy this? Both the federal and provincial departments of agriculture appointed sheep promoters who, working hand in hand, were able to convince the farmer of the value of our federal bonusing system. Rome was not built in a day, nor were these conditions entirely changed within a year. Within a few years, however, a marked improvement was noticeable, and to-day sheep bred and raised by the farmers in these same districts are realizing the highest prices on the Boston, Toronto and Montreal markets. In a report based on an investigation made by the representative of the Market Intelligence Service at Montreal, who has drawn a comparison between the type and quality of commercial lambs, raised in Quebec and marketed at Montreal during the years 1919 and 1924, I find the following:

In 1919 the average weight of all lambs marketed was 67.3 pounds, and 38 per cent were graded as good, 62 per cent as common. In 1924 the average weight was 73 pounds, and the grading 62 per cent good and 38 per cent common, the reverse of the figures for 1919. Basing the increased average weight per lamb of these better quality lambs on prevailing market values, the improvement represents a money value of $250,000.

These facts are further verified by the signatures of all the commission firms and packers operating on the Montreal market to the report submitted by the representative of the Markets Intelligence Division. The improved quality of commercial lambs raised in Quebec has promoted the development of a market in Boston where the lambs of this province are at the top of the market,—I think most of these lambs come from the youthful county of Beauce—in spite of an existing tariff of $2 per head. During 1924 upwards of 40 carloads of lambs were shipped direct from lamb shows and sales to be disposed of on the Toronto market, where they topped the market in competition with all other lambs. Firms securing these lambs have stated in a letter to the Hon. J. E. Caron, provincial Minister of Agriculture, quoted in his report for 1924, to the effect that they would be pleased to secure all lambs to be marketed at lamb shows and sales in Quebec during 1925. I can confirm these results by personal experience in my own constituency, where last summer at the sheep sales I saw lambs sold for an average price of over $8, as compared with a price of only $3 for common lambs sold through ordinary dealers. There were many steps which contributed to this result, among them being the choice of the most suitable breeds, the introduction of pure bred rams, the proper

care of the lambs, dipping and so on, preparation for the market, organization of sheep shows, the sales by auction and the co-operative shipment to outside markets in carload lots. All these steps meant arduous work for those engaged therein, but the result has more than justified the policy pursued. The same improvement has taken place in the swine industry, but time does not permit me to deal with it.

Closely related to the sheep industry is the wool business, which present conditions make particularly attractive, there being a world-wide shortage of wool, and last year's clip having been sold at a good price. There is a great potential market open for Canadian wool, not only in the United States but also in the Orient. An agency which has already done much to further this industry is the Canadian Co-operative Wool Growers' Association. During the seven years of its existence this association, working in conjunction with the department in its grading service, has proven itself to be one of the most helpful channels by which our farmers can dispose of their wool. This is shown by the fact that in that time it has handled over 25,000,000 pounds of Canadian wool. This has been beneficial not only to the farmers who obtained a better price, but also to the manufacturers who were provided with a better quality and a more uniform raw material. In addition this association has carried on a campaign to increase the use of home-grown wool, and to further the sale of clothing made therefrom. As an aid in reducing the cost of living, may I suggest, Mr. Speaker, that we all encourage this industry by wearing suits made out of the wool of our sheep and shirts made from the flax of our fields? Are not those clothes just as good as the imported ones? And they are Canadian! Furthermore, this society is founded upon the basic principles of real agricultural co-operation, which have been tried out and found successful in every country where the co-operative movement has proved to be a benefit.

I would like to deal very briefly with another branch of agriculture which this government has fostered and promoted most effectually, namely, poultry farming, in which I am particularly interested, as president of the Quebec Provincial Poultry Association.

It may be said without fear of successful contradiction that with regard to certain phases of this increasingly important industry, Canada leads the whole world. To enumerate briefly some of these, I may mention that Canada is the only country in the world which has perfected a system for the registration of poultry on a production basis; which has organized a national standardized series of egg laying contests; which has a federal plan for record of performance, and whose legislation regarding the grading of eggs is so effective. Until comparatively recent years strictly fresh eggs were not to be had in the winter, and hens which laid two hundred eggs in a year were considered phenomenal. To-day, however, due largely to the efficient work accomplished by the Department of Agriculture, the majority of the farmers produce new-laid eggs in the winter and two hundred egg hens are no longer rare. As an indication of this improvement, may I quote a few figures gathered from the reports of the Canadian national egg laying contests? In the contest year 1919-20 the average production of the 1,610 birds entered was only 122 eggs, and of this number of birds only 48, or three per cent, laid over 200 eggs. Last year, however, the average production of the 3,610 birds was 169 eggs, an increase of over 39 per cent, and the number of birds laying 200 eggs or over was 1,060, an increase of 31 per cent. In the contest conducted in my own constituency last year, 23 birds laid over 200 eggs as compared with none which reached that mark in 1919-20.

A concrete example of the increased production in country districts was furnished recently by the provincial district agricultural representative for the Abitibi, which, as you know, is a newly settled region. Last year the number of eggs produced exceeded that of the preceding year by over 29,000 dozen, or a value of over $13,000. This represents almost one dollar per head of the total population. The district representative states that this progress is due entirely to the work accomplished by the federal government through the experimental farms.

I am informed by one of the Canadian delegates that during the World's Poultry Congress held in Spain last year, the Canadian birds, despite the trip of nearly 6,000 miles—some of them came from British Columbia,—were more vigorous than those from any other country, and were the centre of interest for all the visitors. This was partly responsible for the securing of the next world's Poultry Congress for Canada in 1927.

The registration of poultry inaugurated by this government assures the purchasers of registered male birds an authentic pedigree of at least two generations of high producing hens. The result has been the opening up of an immense foreign market, and as one prominent poultryman in the United States stated

recently, the eyes of the poultrymen of the world are turned toward Canada for future breeding stock. The keeping of a record of performance for poultry has increased egg production to a wonderful extent, and the government regulations regarding the grading of eggs assures to the consumer the quality for which he pays, and to the farmer a just price for the quality which he produces.

This furnishes another concrete example of the practical measures adopted by this government to improve agricultural conditions.

Now let us consider, Mr. Speaker, the production of maple sugar, an industry that is typically Canadian and is largely localized in the provinces of Ontario and Quebec. I think that Quebec itself supplies about 85 per cent of the total amount produced in Canada. New Brunswick and Nova Scotia are also interested in this industry. According to the statistics, over 20,000 people in this present season are busy making maple sugar and syrup. The value of the total production in 1920 was $8,000,000; in 1921, $5,000,000; in 1922, $5,000,000. Our experts are of the opinion that if properly developed this industry might double its production. Up to the present time we have been handicapped by many fraudulent products which appear on the market to the great disadvantage of the consumer and have the effect of discouraging the producer of genuine maple sugar and syrup. Let me quote in this connection a clipping from the Ottawa Evening Citizen of March 16, 1925:

> On many farms, however, the sugar bush is a thing of the past. The many substitutes for maple syrup and its higher production costs have materially reduced the revenue derived from this source, while the high prices prevailing for hard maple for firewood have been a temptation too strong to resist, and many of the sugar bushes have been cut down.

The hon. Minister of Health (Mr. Beland) is quite aware of the difficulties with which our sugar makers are confronted. Coming himself from the district of Beauce, where so much sugar is produced, he must have heard very many complaints. If my recollection is correct, he was one of the most interested about ten years ago in working on legislation to protect the producer. The last bill was drafted in 1920 and took effect on July 1 of the same year, but it still leaves the door open to fraud. The producers and manufacturers of genuine maple products, seeing that our export market was in great danger on account of the many adulterations, attempted to have matters improved. Hon. J. Caron, Minister of Agriculture in the province of Quebec, who is always deeply interested in anything that affects the farmers, requested an officer of his department, Mr. Vaillancourt, to join a delegation which was going to Ottawa to discuss these matters with the hon. Minister of Health. This delegation, which I had the honour to introduce to the hon. Minister of Health, was composed of five prominent men in the maple sugar industry and of my parliamentary colleagues in the districts interested in this industry. Our petition was fully considered and discussed by the hon. minister and his officers, and we were promised some improvement. Might I ask the hon. minister, while he is in his seat, if any amendments to the present law will be introduced to require the producer of sugar to put a label on his product indicating its purity and place of origin.

Mr. BELAND: Does my hon. friend desire an answer immediately?

Mr. BOUCHARD: If it were possible.

Mr. BELAND: I did not want to interrupt my hon. friend in his highly interesting, instructive, polished and informative address, but I have no objection at all to giving him a reply.

Let me tell him and the House that the government agrees entirely with his plea that the maple sugar industry should be further protected from adulteration. There is no doubt that new regulations should be enforced to prevent unscrupulous producers from ruining this important market, and since my hon. friend has asked me the question, I might say that it is the intention shortly to enforce measures providing for the labelling of all maple sugar so that in case of adulteration it will be possible to trace those guilty of fraud. I realize, as my hon. friend has said, that it is most important that we should protect the honest producer against the condemnable methods that have been adopted especially in the last two or three years.

Mr. BOUCHARD: Mr. Speaker, I think all the sugar makers will be delighted when they read the important statement that has just been made by the hon. Minister of Health.

May I just say a few words on another very important question? It is a recognized fact to-day that it is almost impossible, under ordinary conditions, and particularly with land that has been cropped for successive years, to obtain a satisfactory yield without the use of fertilizers. I am ready to admit that the old-fashioned fertilizer, farm manure, has no equal, but in many instances this cannot be obtained in sufficient quantities; consequently, commercial fertilizers are begin-

ning to play an important part in the development of agriculture here in Canada, as they have already done in the older countries of Europe.

What was the situation with regard to this question when this government came into power? A multitude of agents were flooding the country with commercial fertilizers, of which the farmers had not sufficient guarantee as to the quality or the price. As a result, after a few experiments with these fertilizers, the farmers in many cases became skeptical as to the value of this method of fertilization. Let me outline what was then done to relieve this situation.

During the session of 1922, the administration of the act dealing with these fertilizers was transferred from the Department of Health to the Department of Agriculture, and it was my privilege, during the first week that I sat in this House, in May, 1922, to assist in the preparation of a new act which covered this subject, so as to make it more effective for the protection of the farmers. Judging by information received from time to time, I think I am safe in stating that in the three years which have elapsed this new law has proved of immeasurable benefit to our farming population. This is acknowledged by the foremost agricultural authorities on this continent and this legislation is looked upon as a model of its kind.

Furthermore, conditions were improved by the removal of the sales tax and later on of the import duties on these commercial fertilizers and this was another step deeply appreciated by the farmers. In order to further the interests of the farmers who are remote from commercial centres and who are not well informed regarding current prices, in 1923, the department began to publish a periodical, the Market Review, which contains current market quotations for seed grain, animal feed and commercial fertilizers, together with a summary of local market prices. This review is available for a very nominal subscription. Any farmer who does not subscribe directly for it can always obtain the information contained therein through his local farmers' organization.

This most valuable legislation, combined with the spirit of co-operation, which is being manifested by the farmers in this connection, makes it possible for them to obtain a product of which the quality is assured at a most reasonable and fair price. As an example, we may take basic slag from Belgium, containing the minimum of 16 per cent of available phosphoric acid, which according to the last market report can now be bought for $18, which is about half the price of ten years ago.

Our Canadian farmers are particularly appreciative of the fact that the inspection labels for all fertilizers sold in the province of Quebec are bi-lingual, which enables them to read the analysis in their own language.

There is another feature of agriculture which is extremely important, and which must on no account be overlooked. I refer to investigational and experimental work connected therewith. To some minds these words, investigation, research, and experiment, seem to be bugbears. It is an undoubted fact, however, that modern agriculture is an art, a science, an industry. Such being the case, it is essential that its practice should be based upon principles that can only be laid down as a result of investigational and experimental work. It is to be expected that expenditure of public money for this purpose might be misunderstood and criticized by those who are not in a position to appreciate its importance. I am always thunderstruck, however, when I see this critical attitude finding expression in this House and often among members representing districts which directly or indirectly benefit by this type of work. If, then, agriculture is essentially an experimental science, and no one will deny this, it requires men with scientific training and the provision of adequate facilities to conduct the necessary experimentation to establish the basis of this science. As a matter of fact, the most prosperous agricultural countries in the world are those which have devoted most attention to this type of work. A concrete example among thousands which might be quoted is furnished by the research which resulted in the discovery of basic slag, which to-day may be aptly described as the bread of the land not only in Europe, but also all over the world. Before its utilization for fertilizing purposes this was merely a by-product of the steel industry, which had absolutely no economic value. The objection is often made that owing to the need of economy in difficult times this work should be curtailed. These, however, are the very times when it should be extended in order to increase the total production and decrease the cost thereof. Research work which is admitted to be the basic factor in manufacturing industries should equally be applied to agriculture. This principle is even truer of agriculture by reason of the fact that instead of being centralized with capital at their disposition to conduct their own experiments the farmers are scattered throughout the

country and have not always the facilities for so doing.

Our federal system of experimental farms is the admiration of agriculturists the world over, not only by reason of its extent but also because of the opportunity which it affords for undertaking uniform and standardized work.

The contention is often made that these experimental farms are not self supporting and consequently, do not pay. In immediate returns it is true that they do not pay and that they will never pay so long as they function as they should do. Experimental work is, by its very nature, too costly to be self-supporting. Who can calculate, however, to take only one example among hundreds, the billions of dollars by which western Canada has been enriched through the discovery of marquis wheat; a discovery which involved many years of patient, scientific research and experimentation. Similar work, at present, on the way, indicates that in the very near future, other varieties such as garnet wheat, and so forth, will be produced and will prove to be of even more economic importance.

If time permitted I could cite equally striking facts concerning practically every branch of agriculture, including animal husbandry, horticulture, field husbandry, poultry, bee-keeping and tobacco growing. I know by personal experience that the farmers of my district are very grateful to their former and never forgotten member, the present honourable Minister of Justice, for the part he played in securing the establishment of the experimental farm at Ste. Anne de la Pocatiere, and which has contributed very effectively to solve many of our acute problems and to generally help agriculture in lower Quebec. For these reasons, I trust that the hon. Minister of Agriculture, notwithstanding the need of real economy, will recognize that a curtailment of this work would be really false economy and would be most detrimental to the interest of the farmers.

We often hear the statement made, that on the south side of the border, the farmers are far more prosperous than here. I have no intention of denying the prosperity of the United States but I feel I am safe in saying that very few, if any, farmers from eastern Canada have crossed the line to establish themselves on the land. Moreover if one may judge by reports, farming conditions over there are not by any means rosy. I have here a despatch from Chicago dated last year which indicates this.

I have only attempted, Mr. Speaker, to express briefly certain of the outstanding activities of this government in relationship to agriculture but the instances I have quoted show plainly that the present administration has at heart the best welfare of farmers. To my mind the solution of the problem with which our agriculture is now faced will be largely found in increasing the productive capacity of the land, now under cultivation, and at the same time in decreasing the cost of production. Steps toward this end have already been taken by the reduction of the duties and removal of the sales taxes on agricultural implements, and so on, and by the dissemination of information regarding up-to-date and more successful methods of cultivation, based on practical experience.

We must endeavour, still further, to improve the quality of our products. It is too often said that the market is overloaded without taking into account the quality of the surplus stock. As the old proverb says "there is always room at the top," which, applied in this instance means there is ever a good market for produce of high quality. In this connection the various grading services are contributing wonderfully to the improvement of the quality: which results in a better price for the producer.

As I have already pointed out co-operative marketing will also do much to improve present conditions and will be of a decided benefit both to the producer and the consumer. In order to realize the best possible returns, the farmer, in common with those engaged in other lines of commerce, must market his goods at the most favourable time and in the most efficient way. He is substantially aided in this respect by the market report services of the Department of Trade and Commerce, the Live Stock branch, Seed branch and the International Institute of Agriculture.

In view of the fact that the government attaches such importance to the question of transportation costs, I sincerely believe that in this connection the interests of the farmers will be protected to the greatest possible extent.

I cannot emphasize too strongly that agricultural activity is the foundation of national wealth, that in recent years the wheat of western Canada, whose waving golden grain glorifies twenty-five million acres of our fertile land, was the big factor, which in the balance of international trade, maintained the stability of our Canadian dollar and placed it on a par with the best money of the world, and that the agricultural class is the bulwark of the family as well as the best guardian of the health of the nation. Consequently in the name of economic solidarity, professional

men, industrial workers, labourers and tradesmen must inevitably realize the necessity of an agricultural policy most helpful to the farmers, and should associate themselves with all measures, which will have for effect the increasing of farm revenue.

It has been insinuated that the policy of this government will result in killing many of our Canadian industries. Despite these spurious and preposterous affirmations of an opposition, inspired rather by a partisan resentment than by a genuine desire for national welfare, this government will never let the fires of our factories die out. On the contrary those fires have been stirred up and fanned into flames as is shown by the following statements. I quote from Le Devoir of April 11, 1925:

Les affaires. . . sans lunettes bleues

De la page financière de la Gazette, hier:—Improvement in wholesale trade—Considerable activity in the retail trade—Collections slowly improving—. Dans une autre colonne: Trade conditions show betterment—Halifax: Wholesale trade continues satisfactory. Retailers generally report slight improvement.—St. John: Both wholesale and retail trade up to expectation. Collections satisfactory.— Montréal: (Tous les genres de commerce vont assez bien). Collections generally fair—Winnipeg: Splendid weather has stimulated retail sales in all lines of seasonable goods. . . Wholesale business steady. Collections fair.—Calgary: Business generally is showing a slight improvement. Collections fair.—Vancouver: No material change in wholesale and retail trade generally, but prospects brighter for the future.

Ce n'est pas dans le ton des jérémiades de M. Meighen, de ses "orateurs" et de ses organes. Mais il y a des chances pour que cela soit plus vrai. En tout cas, c'est à retenir pour le jour où le parti des "affaires" criera famine et réclamera plus de "protection".

This government has no intention either to stifle, by the imposition of a ruinous tariff, the rising in the rosy dawn, of those columns of pale blue smoke from the hearth of the log house of the settler, from the thatched roofed homestead of the remote farmer and the cabin of the hardy fisherman or lumberman. These significant columns of smoke will continue to ascend to the sky as an incense to the glory and ability of our statesmen and as an indication of that prosperity which will assure for this Canada a foremost position among all the nations of the world.

The ship of state guided by the capable hands of the hon. Prime Minister, helped by the energies and efforts of all classes of the community, will successfully weather the storm and emerge triumphant from the tempestuous seas into which the poor helmsmanship of the preceding government had plunged her. The administration of the country which was suffering from a chronic disease, that would never have been cured under the care of our predecessors, was operated upon by the clever scalpel of an outraged public opinion. The Dominion is now convalescent and fresh air, not hot air, good care, sympathetic help and the co-operation of the people will effect a complete cure. The people themselves, however, must see to it that no relapse occurs, or to use a Biblical quotation—the last state will be worse than the first.

[Mr. Bouchard.]

Let us then go forward with that unquenchable courage which animated our pioneer ancestors. May we not find inspiration in the eloquent words of an outstanding figure in our national life, His Excellency the Governor General, who said in a recent speech:

Are there not moments when we may see some things, here and now, which want constructive helping, which want doing, which want developing, to make this Dominion what we hope to see it?

Are there not times when apathy, pessimism, materialism, and cynicism, require fighting? Then seems to be the time to attack, to pursue, and to rally. Attack all that interferes with the development of your country, attack this pessimism and materialism, pursue your objective to the end, and rally again. Yes, rally French and English, rally east and west, rally you men and you women from the historic Maritimes, rally to the one ideal of country first, and be ready again. Then can you say in a paraphrase of the words of the dying William Pitt "In the war Canada helped herself by her energy, she must now help the world by her example."

On motion of Mr. Archambault, the debate was adjourned.

On motion of Mr. Graham the House adjourned at 12.15 a.m. (Saturday).

Monday, April 20, 1925

The House met at three o'clock.

PUBLIC SERVICE REARRANGEMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved for leave to introduce Bill No. 43, to amend the act to authorize rearrangements and transfers of duties in the public service.

He said: This bill, Mr. Speaker, will not involve any change in the existing law. It is suggested by the commissioners for the revision of the statutes in order to make the present law clearer. The purpose of the measure is to give power to the Governor in Council to transfer a branch of a department to another department and at the same time to transfer the duties of the officers of that branch to the other minister.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—DEBT

Sir HENRY DRAYTON:

1. What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated companies, exclusive of the obligations of lines in the United States and of separately operated properties during each of the years 1921, 1922 and 1923?

2. What was the total amount required for interest on funded and unfunded debt of the Canadian National Railways and affiliated companies, exclusive of the obligations of lines in the United States and of separately operated companies during each of the years 1921, 1922 and 1923?

Hon. Mr. GRAHAM:

1. 1921—

Debt to public..		$ 10,549,767 98
Debt to government, including interest		122,642,486 83
		$133,192,254 81

1922—

Debt to public (decrease)..		$ 26,032,305 07
Debt to government, including interest		85,654,123 70
		$ 59,621,818 63

1923—

Debt to public..		$ 18,855,412 04
Debt to government, including interest		97,437,273 96
		$116,292,686 96

2. Year 1921—

Interest due public..	$33,530,140 26	
Interest due government..	20,966,781 99	
		$54,496,922 25
The interest on unfunded debt was.. ..		878,224 30

Year 1922—

Interest due public..	$33,723,850 40	
Interest due government..	24,912,875 88	
		58,636,726 28
The interest on unfunded debt was.. ..		111,063 61

Year 1923—

Interest due public..	$34,126,065 80	
Interest due government..	30,157,943 67	
		64,284,009 47
The interest on unfunded debt was.. ..		126,725 98

Sir HENRY DRAYTON:

1. What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated companies during each of the years 1921, 1922 and 1923?

2. What was the total amount required for interest on funded and unfunded debt of the Canadian National Railways and affiliated companies during each of the years 1921, 1922 and 1923?

Hon. Mr. GRAHAM:

1. 1921—

Debt to public..		$ 10,278,767 98
Debt to government (including interest)		122,642,486 83
		$132,921,254 81

1922—

Debt to public (decrease)..		$ 26,326,305 07
Debt to government (including interest)		85,654,123 70
		$ 59,327,818 63

1923—

Debt to public..		$ 18,595,912 04
Debt to government (including interest)		97,437,273 96
		$116,033,186 00

2. Year 1921—

Interest due public..	$34,476,014 02	
Interest due government..	20,966,781 99	
		$56,442,796 01
The interest on unfunded debt was.. ..		1,106,176 56

Year 1922—

Interest due public..	$34,652,324 38	
Interest due government..	24,912,875 88	
		59,565 200 26
The interest on unfunded debt was.. ..		235,917 33

Year 1923—

Interest due public..	$35,041,380 28	
Interest due government..	30,157,943 67	
		65,199,323 95
The interest on unfunded debt was.. ..		239,536 07

SADDLE LAKE INDIAN RESERVE

Mr. KELLNER:

1. Was a portion of the Saddle Lake Indian reserve reclaimed by the Crown?

2. If so, how long did it remain in the possession of the Crown?

3. Is the title for said lands vested in the Soldier Settlement Board?

4. If so, by what authority was this land reclaimed from the Indians?

5. By what authority was it transferred to the Soldier Settlement Board?

6. What was the consideration paid to the Indians?

7. What was the selling price to the Soldier Settlement Board?

Hon. Mr. STEWART:

1. Yes, about 18,000 acres recently surrendered by the band.

2. Surrender not yet approved by order in council.

3. Transfer not yet completed.

4. By statutory powers provided in Indian Act.

5. Surrender was granted by the Indians in order that the area so released might be sold to the Soldier Settlement Board of Canada.

6. Indians have received a per capita cash payment of $100. Balance will be placed to credit of band funds.

7. $10 per acre cash.

CANADIAN NATIONAL RAILWAYS—EQUIPMENT

Mr. MacLAREN:

How many steel passenger cars have been added to the equipment of the Canadian National Railways during the years ending March 31st, 1923, 1924 and 1925?

Hon. Mr. GRAHAM:

1923, nil; 1924, 154; 1925, 65. Total, 219.

PARLIAMENT BUILDING TOWER—CARILLON

Mr. WILSON:

1. How many tenders were received by the Department of Public Works for the installing of a carillon in the tower of this building?

2. What were the names of the firms who tendered and the amount of their respective tenders?
3. Has the contract been awarded?
4. If so, to what firm and at what price?
5. Will the government table a copy of all tenders in connection with the said contract entered into for the installation of the above-mentioned carillon?

Hon. Mr. KING:

1. Four.
2.

Gillett & Johnston

	Scheme No. 1 53 bells	Scheme No. 2 52 bells	Scheme No. 3 53 bells
Carillon..	$40,500 00	$39,500 00	$44,650 00
Clock No. 1 (as per plan and specification).. ..	19,281 20	19,281 20	19,281 20
Automatic player..	6,300 00	6,300 00	6,300 00
	$66,081 20	$65,081 20	$70,231 20
Carillon..	$40,500 00	$39,500 00	$44,650 00
Clock (alternative).. ..	21,192 80	21,192 80	21,192 80
Automatic player..	6,300 00	6,300 00	6,300 00
	$67,992 80	$66,992 80	$72,142 80

John Taylor & Co.

Carillon..	$42,300 00	$40,000 00	$45,000 00
Clock..	19,200 00	19,200 00	19,200 00
Automatic player..	6,000 00	6,000 00	6,000 00
	$67,500 00	$65,200 00	$70,200 00

Wm. Ashall

Carillon (Taylor bells)..	$44,400 00	$42,000 00	$47,200 00
Clock (Taylor bells).. .	21,922 00	21,922 00	21,922 00
Automatic player..	6,300 00	6,300 00	6,300 00
	$72,622 00	$70,222 00	$75,422 00
Carillon (Mears & Stainbank bells) / Clock (Mears & Stainbank bells)	$62,900 00	$58,200 00	$64,400 00
Automatic player..	6,300 00	6,300 00	6,300 00
	$69,200 00	$64,500 00	$70,700 00

Mears & Stainbank

Carillon..	$60,550 39	$56,756 71	$62,164 62
Clock..	No quotation	No quotation	No quotation
Automatic player..	No quotation	No quotation	No quotation

3. Yes.
4. (a) Gillett & Johnston; (b) $63,930 (Scheme No. 3, without automatic player).
5. Yes.

HUDSON BAY RAILWAY

Mr. SPENCER:

1. Referring to answer question No. 21, replied to the 8th of April, 1925: On what railways was the $8,084 spent?
2. What were the reasons for continuing construction on the Hudson Bay Railway during the war?

Hon. Mr. GRAHAM: Mr. Speaker, I think this question had better be dropped. It is a new question placed on the order paper, and it is evident that the hon. gentleman is endeavouring to ascertain some information about mileage, but he has expressed the figures in dollars. I think he understands the situation. I would suggest that either the question stand until he can amend it, or that it be dropped and a new question placed on the order paper.

Mr. SPENCER: Mr. Speaker, I am in touch with the department in regard to this matter, and I will drop the question for the time being.

Mr. DEPUTY SPEAKER: Dropped:

LIVE STOCK MARKET REPORT

Mr. MERCIER:

1. Does the Live Stock Market Report, issued weekly by the Live Stock Branch of the Department of Agriculture, appear in English only?
2. Is not this report expected to reach both English and French readers and publications?
3. Should it not be sent out in both languages?
4. Will the Minister of Agriculture undertake to have this report issued in both English and French?

Hon. Mr. MOTHERWELL: Mr. Speaker, replying to the four inquiries embraced in this question, I desire to answer Yes to them all.

QUESTION PASSED AS ORDER FOR RETURN

DRUMHELLER, ROSEDALE AND WAYNE COAL FIELDS

Mr. GARLAND (Bow River):

1. How many coal leases have been granted in the Drumheller, Rosedale and Wayne Fields?
2. What was the total area of each original lease?
3. To whom were these leases granted?
4. How many leases have been subsequently subleased?
5. What was the area of each section subleased?
6. Who is the present lessee?
7. What was the amount of arrears of rentals or royalties at the time of abandonment of the original leases, or of subleasing?
8. How many of the abandoned leases have been again leased?

UNOPPOSED MOTIONS FOR PAPERS

VANCOUVER OLD POST OFFICE

Mr. BLACK (Yukon):

For a copy of all correspondence and communications between the government, any member or official of the Government, and any persons, during the past three years, concerning the disposal of the government property situate on the southwest corner of Granville and Pender Streets, Vancouver, known as the old post office property.

NIPISSING CENTRAL—ROUYN EXTENSION

Mr. ARTHURS (for Mr. McQuarrie):

For a copy of all correspondence and other documents passing between the executive officers of the Canadian National Railways and the Temiskaming and Northern Ontario Railway Commission or any of its officers, and between the Canadian National

Railways and the Government of Canada or any of the ministers thereof, and between any of the above-mentioned and the Government of the Province of Quebec or any of the ministers or officials thereof, regarding the proposed extension of the Timiskaming and Northern Ontario Railway subsidiary (the Nipissing Central) into Rouyn.

Hon. Mr. GRAHAM: Mr. Speaker, I do not know whether the hon. gentleman is in his seat or not. This motion refers to what, according to press reports, is the subject of correspondence between the government of Ontario and the government of Quebec at the present time. Of course, it would be futile for us to pass a resolution asking this government to produce correspondence which may have taken place between those two provincial governments. There may be some correspondence between the Canadian National Railways and either or both of those governments, of that I am not sure; but even if that were the case, it would be very indelicate at the present moment to make public the correspondence, owing to the difference of opinion that exists between the two provincial governments. If my hon. friend will allow the motion to stand I will make some study of it and see what it entails.

Mr. MEIGHEN: Mr. Speaker, I think the minister has wrongly interpreted the resolution. I have just run over it while he was speaking, and I do not think it includes any correspondence between the two provincial governments. If it does, it is obvious that such a request could not be complied with.

Mr. GRAHAM: Let me read the fifth line to my right hon. friend:

—or any of the ministers thereof, and between any of the above-mentioned and the government of the province of Quebec.—

"Above mentioned" I imagine would include all the parties enumerated.

Mr. MEIGHEN: That does not include the government of the province of Ontario.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: Oh, no.

Mr. DEPUTY SPEAKER: In the absence of the mover of the resolution the order will stand.

Motion stands.

ST. LAWRENCE WATERWAY

Mr. ARCHAMBAULT:

For a copy of all correspondence, of whatever nature it may be, exchanged between the Government of Canada and that of the United States or between any official of said governments either through the Departments or Commissioners from June 1, 1924, up to this present date, in connection with the St. Lawrence Waterway Scheme, the diversion of the waters of Lake Michigan for the Chicago Drainage Canal and the diversion of the waters of Niagara Falls.

Hon. Mr. GRAHAM: Mr. Speaker, it would be better, I imagine, if this motion were withdrawn. If not, I would ask that it stand, for the reason that nearly all the correspondence between the government of the United States and the government of Canada was placed on the table some time ago. That correspondence included the St. Lawrence waterway and the Chicago drainage canal. The balance of the communications cannot be published until such time as has been agreed upon between the two governments. We hope in a very few days to place this correspondence on the table by consent of the United States government.

Mr. ARCHAMBAULT: Let the motion stand for a while.

Motion stands.

ACCREDITED HERD SYSTEM

On the Orders of the Day:

Mr. J. L. STANSELL (East Elgin): Mr. Speaker, I should like to ask the Minister of Agriculture (Mr. Motherwell) concerning a complaint I have received from a breeder of pure-bred live stock whose herd is under the accredited herd system of the government. His complaint briefly is as follows: An officer of the department has stated to this breeder that in future no herds will be accepted for accreditation unless the herd sire is two years of age or over; also, that herds already fully accredited will be dealt with in the same manner. If the statement by the officer is correct, I should like to know why such a ruling has been made.

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, the complaint referred to had not been brought to my attention. I shall be pleased to look into the matter and give my hon. friend an answer later.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Friday, April 17, consideration of the motion of Hon. J A. Robb, (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres): Mr. Speaker, may I be permitted, before discussing the budget proper, to make one observation regarding the Special War Revenue Act? I wish to call the attention of hon. members to section 20 which gives a prior lien to the government over other securities. The last paragraph of section 20 of the Special War Revenue Act, 1915, as amended, provides that the liability to the crown shall constitute a first charge on the assets of such person, firm or corporation, and shall rank for payment in priority to all other claims of whatsoever kind heretofore or hereafter arising save and except only the judicial costs, fees and lawful expenses of an assignee or other public officer charged with the administration or distribution of such assets.

In my opinion, Sir, this legislation is absolutely unjust to lenders in good faith on security. The practical difficulty of the existing law is that the creditor has no means of ascertaining whether the person to whom he lends his money is a debtor to the government. It is possible for the hypothecated immovable to become the asset of someone who is heavily indebted to the government, and if the property is brought to sheriff's sale the government will have a prior claim for whatever might be due to them. To illustrate, let me mention a case in point. If a man lends $3,000 on a property on first mortgage, the value of the property being $4,000, and it is ascertained beforehand that the borrower is not indebted to the government, nobody can prevent this borrower from selling the property to another who is indebted to the government. The property is sold later on; the government has a prior claim and get, say, $3,000 due to them before the lender in good faith can get his money. I submit, Sir, that this section should be repealed, or provision made by which a government lien shall not prejudice the rights of creditors who have registered their claim previous to the property becoming the asset of the debtor. This would afford a means by which the creditor could protect himself.

I may add that this prior claim of the government does not exist in England. The creditor there who lends his money on property on which he takes a first mortgage ranks, if the property is sold, before the government in the matter of taxes, and so on. I hope that the Acting Minister of Finance (Mr. Robb) will take note of this observation and remove this legislation, which in my opinion is most unjust and unfair to a creditor in good faith.

Now, Sir, I wish to congratulate the Acting Minister of Finance on the excellent budget that he has presented to the House this year. I believe that in view of the difficult circumstances created by the late administration, the budget is a very good one. The Acting Minister of Finance has succeeded in balancing the budget and by keen business ability he has refunded maturing obligations and saved the country over $2,000,000 of interest a year. Our congratulations are due also to the High Commissioner for Canada in London, Mr. Larkin, in respect to the arrangements he has made regarding the loans to Greece and Roumania. He has some new securities on the revenues of these countries, especially on the wheat export, which will entitle us to hope that the taxpayers of Canada will be reimbursed some of the moneys that the late administration saw fit to scatter amongst its friends.

The best reason why, in my opinion, this budget is a sound and reasonable one is that it has failed to please the extreme wings of this House. It does not please the high protectionist and it also does not please the free trader. There is an old Latin saying, "in medio stat virtus." This budget reminds, me, Sir, of the attitude of Sir Wilfrid Laurier on racial and religious questions. The Tories of Ontario used to say that Sir Wilfrid wanted French and Catholic domination, and at the same time the Tories of Quebec were stating that Sir Wilfrid was betraying his race and religion. Well, Sir, the principle that Sir Wilfrid Laurier did follow should apply to the fiscal policy, and I can see in this budget the embodiment of that principle. Our geographical situation is such that it is impossible to please everybody, and unless we make a firm determination to adopt a policy of give and take, a policy of conciliation, it will mean the disruption of confederation.

I wish to congratulate the government on the proposal they have made with respect to a tariff board. I believe that a tariff board will go a long way towards curing the ailments which beset us. I am not in favour of any iron-clad policy on tariff; I do not believe it will get us anywhere to say that we are high protectionists or to say that we are free traders. Every industry must be studied from the point of view of the interests of the consumer as well as those of the producer, and the duties should be increased or decreased accordingly. In my opinion certain duties should be increased and others should be decreased. I was in favour of the reciprocity pact in 1911 with regard to agricultural products; I am still in favour of that policy, but I believe that until we get reciprocity in agricultural products with the United States we

should raise our tariff on those agricultural products to a point where it will be on a level with the high tariff of the United States on similar products.

Mr. KENNEDY (Edmonton): Will the hon. member permit a question? Would he also be in favour of reducing the duties on products coming into Canada where the United States duty is lower than ours, as in the case of boots and shoes, for instance?

Mr. ARCHAMBAULT: Not on boots and shoes, but on agricultural products, absolutely. In my opinion free trade and high protection are not real policies. Free trade is a pious dream; high protection is a fit of hunger. I may add that everyone who has been studying the present evolution of fiscal matters must have noticed that the apostles of either extreme policy are becoming more scarce in this country. I call attention to our friends the Progressives. They came to this House, most of them, free traders, but I am sure that after having taken part in the affairs of this country, after having come in contact with all the diverse interests of this wide Dominion, they are not so strong on the policy of free trade to-day.

Mr. GOULD: I rise to my feet just to challenge the statement the hon. gentleman has made that the majority of the Progressives came here as free traders.

Mr. ARCHAMBAULT: That is a very fair challenge, but it does not prevent me from holding the opinion that if the hon. members of the Progressive party were ever returned to power, they would not dare to apply a free trade policy to this country. I may say the same thing about high protection. A few days ago we heard a very excellent speech by the hon. member for Colchester (Mr. Putnam), in which he gave the House the opinion of a man who was a minister in the late administration, and who at that time endorsed the policy of protection, but who only a few months ago said that protection was not the proper policy for this country. I refer to Hon. Mr. McCurdy. And Mr. McCurdy's statement is such an interesting one that the House will permit me, although the hon. member for Colchester has already read it, to read it again. In a message to the press on the 5th of September last Mr. McCurdy said:

> And first let me speak of the so-called "national" policy, or system for protection, under and by virtue of which it is certainly true that the manufacturers of Ontario and Quebec have fattened and grown rich, even although they are now passing through a lean period. But in what measure has this system of protection to industries alone helped us? It compels Canadians, east and west, to buy the manufactured goods of Ontario and Quebec, but it still permits them to use American ports of entry and export for their goods, if so be they can wring a further profit thereby.

There, Sir, you have the opinion of a gentleman who formed a part of the late administration, who was supposed to endorse the policy of protection, but who is now coming out against that policy. This goes to show, Mr. Speaker, that the extremists on both sides are becoming more scarce in this country, and it is all for the benefit of the people.

If you look at the criticism of hon. members of the official opposition regarding this budget, you find that for the first time probably in the history of the Conservative party, their adherence to the policy of protection is not embodied in their amendment to the budget. What do you find in this amendment? You find that they contend that we should have more economy in this country. You find that they contend also that we should have less taxation. I will refer later on to the increase in taxation and to economy, but I may say in passing that it is exhilarating to listen to their regrets and to notice the crocodile tears of the opposition regarding economy. There was only one instance pointed out by any member on the other side regarding economy. I challenge you, Mr. Speaker, to scan the speeches of the hon. members and find any real direct criticism, except in one instance, and this was given by the hon. member for Fort William and Rainy River (Mr. Manion) when he criticized the expenditure of the delegation to Wembley, and it was a pity to see the hon. gentleman the other night sitting in silence like a chastised child when the hon. member for Cape Breton South and Richmond (Mr. Kyte) burst his bubble.

Sir, it is true that the duty of the opposition is to criticize. I admit that right away. But the opposition, if it has any desire to be useful to the country, if it has any desire to regain power, must also give to the House and the country valuable and constructive suggestions. There are no constructive suggestions in the amendment; there were no valuable suggestions in the speeches made by the hon. members of the opposition. In my opinion the amendment is simply a crazy-quilt of platitudes to cover the soreness and disappointment of the hon. members of the opposition. Reduction of taxation—who in this country does not wish to see taxation reduced? Economy—where is the hon. member who does not wish economy in the administration of affairs in this country? No, I repeat, Sir,

this amendment was made in a moment of disappointment and soreness by hon. gentlemen opposite, because the backbone of their political campaign has been broken by this budget. You will remember the criticisms which were offered last year. They were of two kinds: first, that the industries affected by the tariff would have to close their doors, and that there would be an adverse balance of trade against this country. The second criticism was, not that they were so much alarmed about the actual reductions then made, but they believed—indeed they were sure—that these small reductions on a few industries would surely lead to a general reduction this year. I heard these criticisms during the election of St. Antoine; I have heard them even on my radio since the election; I heard them when the leader of the opposition (Mr. Meighen) was tendered a banquet jointly with Armand Lavergne of Montreal. When we told these hon. gentlemen that the agricultural implement industries affected, like the Massey-Harris Company, and the International Harvester Company, were satisfied with the reduction of duties then made, they said: "Wait until next year. If you vote for the Liberal candidate in St. Antoine, you are giving the present government a mandate to go on, and to bring down more general reductions." I may admit at the present moment, Mr Speaker, that they were partly justified by some—may I say, inconsiderate?—remarks of some of the members of the government. At the same time, that was the backbone of their policy, that was the backbone of their campaign: They were not afraid so much of the actual reductions, but they were telling the people that the government was going to make a general reduction in the tariff and that the industries of Canada would be crippled. What happened to those prophecies? The industries affected have made a better showing this year than they did before. The balance of trade, too, is in our favour. In 1924 we had a balance of exports over imports of $165,000,000; and in the first ten months of the year just closed we had a balance of export trade of $263,000,000. Therefore, those two prophecies have gone to the wastepaper basket. The third one has gone the same way. There are no wholesale reductions in the tariff this year.

So I was right, Mr. Speaker, when I stated that this budget has broken the backbone of the Conservative campaign. But they are not so easily daunted. Their backbone being broken they are sore, very sore indeed, naturally they have sought new devices and new alliances to try and fool the people once more. I do not know very much about the campaign they are making in other provinces, but I know what is happening in the province of Quebec. Sir, we are offered in our province the most extraordinary spectacle and the most diverting entertainment for chasing the blues that we ever had. It is called "The great Conservative push" it reminds one of that little German putsch from Bavaria last year headed by the ponderous General Ludendorff followed by the Crown Prince to restore monarchy, which putsch with its combination of burlesque and slapstick comedy made the whole world rock with laughter. This great Conservative "putsch" came as far as Hull yesterday. The General Ludendorff of the "putsch" is the rotund Mr. Monty, who was a minister in the late cabinet but who could not find one Conservative constituency in Quebec that would elect him. The Krontzprintz of the party is none other than the celebrated Armand Lavergne, who has been hypnotized by the newly-discovered alluring charms and irresistible vamping powers of the right hon. leader of the opposition. They brought with them for protection the secretary of the Montreal Police Probe, Mr. J. H. Michaud; and occasionally the oratory of the party is elevated to the high planes of Gladstonian eloquence by Hon. C. C. Ballantyne who has been nick-named in Montreal "Can't Come Back". Most of the publicity of that campaign is conducted in French in the official paper of the Tory organization called La Minerve. If the House will listen to me a few moments I think it would be greatly instructive to read just a few of the gems of this campaign; and after I have read them I am sure that hon. members will feel that I have not exaggerated in describing this new Conservative "putsch". Now, in the paper referred to on April 11, an account appeared of a lecture given in Montreal by a gentleman named Bousquet. Hon. Mr. Monty made a speech at that lecture which is headed in La Minerve "Sensational declaration of Hon. Mr. Monty". Listen to this—Mr. Monty is speaking:

> In a great burst of eloquent words which made a great impression on his audience Mr. Monty violently denounced the secret pledge taken by the Liberal government with the English government to provide work for all the English immigrants, which means that if work is as scarce as it is now the Canadian worker will lose his job and be replaced by a "bloke".

Listen to this one from La Minerve of 28th March, 1925, which is headed "Crime of High Treason." I translate:

> When a Prime Minister of a country delivers, willingly or unwillingly, this country to the foreigner, and does that solely to remain in power it is called

by all the nations of the world a crime of high treason. Now the Hon. William Lyon Mackenzie King is endeavouring to commit this crime; and if we do not take care, before five years all the provinces of the west from the west frontier of Ontario to the Rocky mountains will be annexed to the United States. Since three years the American citizens are invading the western provinces every year. It is by forty-five thousand and fifty thousand that they arrive annually to take hold of our land.

Listen to this gem:

If our information is exact, and everything leads us to believe it is, Sir Lomer Gouin, backed by high personages like Mr. Holt, Mr. Beatty and others, is going to Europe simply to warn the King himself of what is going on here and prevent England from seeing one of the brightest gems of the British Crown being separated from the Crown.

Now, here is another published on February 28, 1925.

The Postmaster General is one of our compatriots, the Hon. Jacques Bureau. He constitutes, with the Hon. Mr. Lapointe, a galaxy of our national glories. He is always fighting for the defence of our rights. Since two or three years there has been a campaign in favour of bi-lingual stamps. Mr. Bureau is Postmaster General and there are no bi-lingual stamps. I leave the electors to draw the conclusion.

Mr. MACDONALD (Pictou): Who says this?

Mr. ARCHAMBAULT: It appears in La Minerve, the official organ of the Conservative party in Montreal; it is signed "Jacques Durand," and formed part of this campaign. There is something more serious about it, Mr. Speaker. I thought we were through with racial appeals in this country. Mr. Armand Lavergne is following Mr. Monty in this campaign, and he came to Ottawa or to Hull yesterday. I am surprised that the right hon. leader of the opposition (Mr. Meighen) did not bring him with him to the meeting which he attended on Saturday in Ontario. Mr. Armand Lavergne made a speech which is reported in the Montreal Star of 26th March. This is the statement attributed to Mr. Armand Lavergne:

Brands Gouin coward.

The speaker labelled Sir Lomer as a "coward" and as "the Knight of the British Empire who represents you," and who had "run from the fight and was now in Europe."

Laurier was to blame for the imperialism which induced conscription in allowing Canadians to fight Empire wars in the Boer insurrection of 1897.

"The present government has not only failed in its duty to the French language, but has proved a traitor to it," he concluded, citing the example of the immigration laws which oblige a Frenchman, when entering Canada, to read and sign, in English only, the declaration and proof of his educational requirements, "in a country where both French and English are official".

Mr. Desrochers was accompanying Mr. Monty making the same kind of speeches, and one of his speeches can be found in the Gazette of April 16. Mr. Lavergne yesterday made the same kind of an appeal, and this class of appeal I think should disappear from the political hustings of this country forever. I have no comment to make upon this kind of campaign. This new alliance will no doubt rejoice the heart of an ex-minister of the late cabinet who stated that Armand Lavergne had a callous heart and blackened blood in his veins.

Sir, may I come now to one of the features of the criticisms of the hon. member for Fort William and Rainy River (Mr. Manion). All those who listened to his speech must admit that the hon. member did not offer any valuable or special or direct criticism, except that regarding the Wembley exposition. He has not brought forward any constructive policy. At page 1783 of Hansard he is reported as saying:

Dealing with the budget from the standpoint of the ordinary observer I submit that this budget, in which there is a complete absence of any remedies for our present discontents, is like a train of fifteen cars carrying one passenger.

I will paraphrase what the hon. gentleman said and put it in this way: Dealing with the criticism of the budget from the standpoint of the ordinary observer. I submit that this criticism and especially the speech of the hon. member for Fort William and Rainy River, in which there is a complete absence of remedies for our present discontents, is like a train of fifteen cars carrying one passenger, disappointment, but raising a great amount of dust and wind.

Sir, it is real entertainment of the best kind to listen to the hon. member for Fort William and Rainy River criticizing the policy of Sir Wilfrid Laurier and of the late administration regarding the railways and regarding the fiscal policy. If my memory serves me right, it was in 1912 and 1913 that the hon. member for Fort William and Rainy River, through the influence of Sir Wilfrid Laurier, was chosen, not as the Union candidate, but as the Liberal candidate in his constituency, and it was only later on that he accepted the candidature of the Union government. Why, Sir, in 1912 and 1913 and previously, when he was advocating the policies of Sir Wilfrid Laurier, he must have advocated even the policy of Sir Wilfrid on railway questions and on fiscal policy; and it is most amusing to see him now coming to this House and villifying what he praised before.

The official opposition offered no constructive criticism. They said that conditions in the country were bad. I have no doubt that the conditions are not as good as we hoped they

would be, but I should think when we look at the countries that have taken part in the war, we will find that, outside of the United States, we are faring just as well as any other country.

An hon. MEMBER: Much better.

Mr. ARCHAMBAULT: Much better. The hon. Minister of Labour (Mr. Murdock) gave us a very instructive speech on the industrial conditions of this country compared with the United States. I will not take up the time of the House discussing this question, but I may be allowed just to point out to hon. members a few items that will show that this country is faring just as well as the United States, and that these bad conditions do not exist in this country at the present time, as the hon. member would lead us to believe. A despatch of December 24, by the Associated Press stated that:

In the city of New York alone there are 300,000 unemployed.

A despatch from the Associated Press also stated that:

In the New England textiles there was misery and unemployment and these factories were closing. In Fall River the production of the textile factories was reduced to 25 per cent.

Now, Sir, I have a few headlines here to show that the industries of this country are not in such bad shape. Referring to the Gazette of April 10, you will notice that the deposits in the banks have risen to eleven millions and a quarter. You will notice that the bank clearings are up nine and ten per cent.

I will read some of these headlines:

Canadian Milling Companies have been very liberal with disbursements to shareholders.
Ogilvie Flour to split stock three for one.

I quote this from the Gazette of April 10:

Fair business in iron and steel.

From the Gazette of April 13:

Fewer failures in first quarter. Best showing in Canada for such period since 1921.

The Paton Manufacturing Company is reported in the Gazette of April 15, as follows:

Lately prices were at a peak which has only been exceeded by the prices which prevailed in the two boom years of 1919-1920.

These people manufacture woollens and clothing.

During the past twelve months changes and additions to the plant at Sherbrooke have increased the capacity by 25 per cent. Even with this additional output the plant is working at capacity.

I quote this from the Gazette of April 10:

Quebec building trades situation is better.

I could go on and on quoting:

[Mr. Archambault.]

Better year for Massey-Harris Company. Better year for the International Harvester. Cotton mills are reported active.

This is an extract from the Gazette of April 18 which is most interesting. It deals with the shoe industry:

Wholesale business has been more or less interrupted by the Easter holidays. Manufacturing in some lines is active. Quite a change has come over certain lines in the manufacture of boots and shoes, especially in ladies' wear, orders have been so good that it has compelled some of our manufacturers to not only work to full capacity during the daytime, but also bring their operators back for night duty.

Mr. HANSON: If the statement contained in that newspaper paragraph is correct, how does the hon. member account for the fact that Ames, Holden & McCready for the first time in their history have passed their bond interest?

Mr. ARCHAMBAULT: Does the hon. member know how much watered stock there is in the Ames, Holden Company?

Mr. HANSON: What about their bonds?

Mr. ARCHAMBAULT: Here is another report in the Gazette of April 17:

Better showing by Fairbanks-Morse Company.

This is also from the Gazette of April 17:

Canadian and United States newsprint production higher for March. Mills of Dominion set up new record when they produced 126,267 tons.

I come to a new industry which is established in my constituency, manufacturing paper machinery. It is a new industry called the Charles Walmsley and Company, of Canada:

The plant is now busier than ever before. Work is proceeding nearly twenty-four hours a day, and sufficient orders are now on hand to keep the plant going at the present rate for the next eight or nine months.

I have in my hand a very interesting report in regard to the woollen industry. Hon. members have heard woollen mill manufacturers complain about the tariff, stating that the preference at the present time is forcing them to close. This is the report of the Regent Knitting Company, of Montreal:

The company was incorporated in 1913. It operates large worsted spinning, dyeing and knitting mills at St Jerome, county Terrebonne—

The county of my friend (Mr. Prevost).

—and a silk knitting mill in Montreal. It employs from 500 to 700 hands the year round. Its goods are selling all over Canada and in Newfoundland, New Zealand and South Africa.

Let us look at the financial statement of that company. In 1913, the sales were $174,000. In 1923, the sales amounted to $1,816,-

000. In 1913, the net earnings were $18,559. In 1923, they amounted to $138,849, and for the first six months in 1924, to $88,960. The reserve in 1913 was $6,700. It is now $379,-103. This is a company which is paying a very reasonable dividend, which is doing a good business, but in which there is no "whisper of death." I know the manager of that company. He has faith in Canadian brain and brawn and he thinks Canadians are able to compete with any foreigner. That is the right spirit.

It is true that our debt is now $2,417,000,000. It is true that our expenditure is now up to $342,000,000, and that our surplus is not very large. But we must remember that in 1921 the interest on our debt was $135,000,000; that it is now $130,000,000, and that the interest on our debt is one of our greatest charges. I intend now to demonstrate, if the House will grant me a few more moments, that a great part of that debt, and therefore the interest that we are paying on it, are due to the blunders and maladministration of

4 p.m. the government from 1911 to 1921. Leaving aside, for the purpose of discussion, the railway muddle into which we have been plunged; leaving aside the enormous amount of money lost through war scandals, such as the famous horse deals the paper boots, the shovel with the hole in it, the bandages dear to an hon. member who is still sitting in this House, the field glasses, the hay, the shell contracts, the McBride submarine—leaving aside also the loans to Greece and Roumania of $31,000,000 not included in the debt, all the proceeds of which were scattered amongst companies in which friends of the government, amongst them members of parliament, had a great interest—

Sir HENRY DRAYTON: Oh, oh.

Mr. ARCHAMBAULT: If my hon. friend who grins wishes, I will repeat. Leaving aside all those things and many others, I venture to state that, through the blunders and maladministration of the late government from 1911 to 1921, our debt has been increased by $493,566,-654. Were it not for these blunders and this maladmistration, we would be paying $25,-912,248 less in interest this year, $2,159,354 less per month, $498,427 less weekly, or $70,965 less daily every day including Sundays. I proceed to prove my contention.

I say, first, that through unnecessary war expenditure the national debt has been increased by the sum of $247,313,394. As my first witness, Mr. Speaker, I rely on a man of great reputation, a man who brought honour to his name and glory to his country during the war, a man who was in the best possible position to speak with authority—Sir Arthur Currie. On September 11 last, speaking before the Citizens' Research Institute of Canada, he made a speech which startled the country, and which was never challenged. I had put on the order paper a resolution asking for an inquiry regarding these statements, but unfortunately my good friends the Progressives so clogged the order paper before they departed last session that it was impossible for my resolution to be reached.

Mr. BEAUBIEN: You mean the Ginger group.

Mr. ARCHAMBAULT: It may have been they; I accept your apology. I have here the speech made by Sir Arthur Currie on that occasion, which will be found on page 133 of the official proceedings of the convention of the Citizens' Research Institute of Canada, 1924 and the part to which I particularly refer is this:

> If there is one thing more than another that has been responsible for the increase in our national debt and in our taxation, it is the expenditure due to the war. I do not know all about the expenditures of the war, but it is my opinion that it cost hundreds of millions of dollars more than it should have cost, or would have cost, if expert advice had always been available, and if such as was available had been listened to. I do not think I am exaggerating when I say that there were at least 100,000 men enlisted for the Canadian Expeditionary Force who never saw service in France, and who made no contribution to Canada's effort in the war. All these men were paid, fed, clothed, equipped, trained, cared for when sick, and transported. Many of them are still being cared for by the government, being in receipt of pensions or hospital treatment. I do not think it is an exaggeration to say that the average cost of these 100,000 men was $1,500 each, that had they not been enlisted $150,-000,000 would have been saved. Furthermore, expert advice before the war and in the early months of the war condemned the Ross rifle. These experts said it was no good, and it was no good, yet strong pressure was exerted on Canadian units to continue its use, and even after it had been discarded by the first division other units were armed with it and forced to use it. Expert advice had condemned the harness supplied to Canadian troops as being unsuitable for use in war theatres, yet succeeding units were given this unsuitable harness as part of their equipment. Expert advice had condemned the Oliver equipment, yet Canadian units were supplied with it. There were other things also with which the Canadian troops were supplied which were scrapped in England before the units proceeded to France. I mention these facts to illustrate the cost of neglecting to have available and to use expert advice.

Now, Sir Arthur Currie was the commander in chief of the Canadian army. If there is one man in the world who was in a position to judge these things, and who is now in a position to tell the country that these expenditures were made through the blunders of the late administration, Sir Arthur Currie is that man.

Mr. MEIGHEN: Will the hon. gentleman permit a question?

Mr. ARCHAMBAULT: Certainly.

Mr. MEIGHEN: Is he aware that Sir Arthur Currie has denied those statements?

Mr. ARCHAMBAULT: I am very glad of my right hon. friend's interruption; I am ready for it. Sir Arthur Currie has never denied what is reported in the proceedings of the convention of the Citizens' Research Institute of Canada as his speech made on that occasion. What I have read is from the stenographic report of those proceedings. What he has denied is that he had tried to give a false impression about the conduct of the men at the front. The first papers to publish reports of that meeting were the Montreal Star and the Montreal Gazette, and the Star stated that Sir Arthur Currie was casting a reflection on the men themselves. That is what Sir Arthur Currie denied. He did not deny anything else, and I defy my right hon. friend to prove that he did.

Mr. MEIGHEN: Will the hon. gentleman permit me? Will he be good enough to move in this House his resolution for an investigation? If he will, I assure him that I will support him.

Mr. ARCHAMBAULT: I will be delighted to do so; but I may say to my right hon. friend that although I have very much respect for him, on a question of this kind I would rather take the word of Sir Arthur Currie.

Mr. MEIGHEN: Even as to an investigation?

Mr. ROSS (Kingston): May I ask the hon. gentleman a question by way of information? In what year was the Ross rifle first manufactured?

Mr. ARCHAMBAULT: That is a very amusing question, and I do not see what bearing it has on Sir Arthur Currie's statement. I pity the reasoning of my hon. friend if, because some other people made a mistake in manufacturing the Ross rifle, he nevertheless would put those rifles into the hands of our brave soldiers in the field.

Mr. MEIGHEN: Is my hon. friend aware that the Ross rifle was abandoned the first hour that any other rifle could be secured?

Mr. ARCHAMBAULT: I am aware of one thing—

Mr. MEIGHEN: Is he aware of that?

Mr. ARCHAMBAULT: I will answer my hon. friend if he will possess his soul in patience for a moment or two. I am aware of this—and I think I have here an answer to my right hon. friend—I am aware of a speech by Sir Wilfrid Laurier regarding the Ross rifle, and for making it at the time he was called disloyal. What he said will be found at page 3487 of Hansard of July 17, 1917.

All these things which we have to take into consideration when we are asked to vote upon the resolution now before us. But, there is still far worse than that. We would count our losses small if they were only losses in money, but there have been losses in blood for which this government cannot escape responsibility—losses in blood which should not have taken place, and for which I charge the government of the day, and I think I shall prove my statement by what has occurred, and what is on the table of the House already. When our troops crossed over they were equipped with the Ross rifle. Everybody knows that from the time the Ross rifle was first manufactured it was subject to very serious attacks. It was a matter for experts. Some experts condemned the rifle, others approved highly of it. Amongst those who approved of it highly was the hon. member for Victoria and Haliburton (Sir Sam Hughes) who was afterwards chosen to be Minister of Militia in the government by my right hon. friend. To his credit it must be said he was always loyal, and spoke with a seriousness which characterized him. He defended his opinion, and stated over and over again that the rifle was serviceable, and one of the best weapons and perhaps the best weapon of the kind. He was a member of the Militia Council which helped it from Mark I to Mark II and from Mark II to Mark III. When war was declared, our soldiers went to the front equipped with the Ross rifle.

It must be said, and everybody knows it, unfortunately, that in most of the engagements in 1915 the Ross rifle did not give satisfaction,—

This speech was made in 1917.

—and that it jammed in the hands of those who held it. The truth was known to the government; in fact, reports were made by experts and others, who said that, at the most critical time of the battle of St. Julien, when the Germans were coming and when they had to be repelled, the rifle jammed and our soldiers were unable to use it. They could not advance because their weapons were useless; they would not retire, but with tears of rage and grief in their eyes they threw down their rifles in the mud and took the Lee-Enfields that their comrades could dispose of.

It seems to me that that is an answer to my right hon. friend.

Mr. MEIGHEN: An answer?

Mr. ARCHAMBAULT: An answer—that in 1917 Sir Wilfrid Laurier accused the government of leaving the Ross rifle in the hands of the troops. He said that the government knew in 1915 that the Ross rifle was not fit for them.

Mr. MEIGHEN: The hon. gentleman has either missed the point or he does not speak his own mind when he says he has an answer. I quite admit that the language was used by Sir Wilfrid Laurier and I would be astonished

if any human being would describe it as disloyal. I quite admit that many others used the same language. But what I asked the hon. member was this: Is he aware that, no matter what the rifle was like, we had to use it until we could get another to replace it, and that immediately we could get another to replace it we did not use it another hour?

Mr. ARCHAMBAULT: Well, I will refer again to what Sir Arthur Currie says—and I think this answer should be satisfactory to my right hon. friend.

Mr. MEIGHEN: I heard that. Give him a chance to establish it. I will be there.

Mr. ARCHAMBAULT: Is my right hon. friend prepared to say that what Sir Arthur Currie has stated is untrue? Let him come out in the open and say it.

Mr. MEIGHEN: So far as it was an attack on the rifle, I do not pretend to be a judge. But if it was a criticism of supplying the men with the rifle when we had no other to supply them with and could not get any other, then it was unfair and unfounded.

Mr. ARCHAMBAULT: That is a very fine splitting of hairs.

Mr. LAPOINTE: Will my hon. friend permit me a question? Does he not remember—we were both members of parliament at the time—that the Minister of Militia and Defence in my right hon. friend's cabinet, sitting with him, was defending the rifle at that very time?

Mr. MEIGHEN: Certainly, and many others defended it. But the government got rid of it as soon as possible.

Mr. LAPOINTE: The minister responsible was in favour of the rifle.

Mr. ARCHAMBAULT: I knew very well that this criticism would get under the skin of my hon. friends, but I am prepared to go along just the same.

Mr. MEIGHEN: Get your committee, and get it quick.

Mr. CLARK: Is my hon. friend aware that the Ross rifle was retained in many of the Canadian units for their expert riflemen—for their scouts and snipers—in preference to the Lee-Enfield, and that that was done to the end of the war?

Mr. LAPOINTE: When there was no danger.

Mr. CLARK: My hon. frend says there was no danger—in No Man's Land, for the scouts and snipers!

Mr. ARCHAMBAULT: How can my hon. friend harmonize his last statement, that the Ross riflle was retained, with the assertion of the leader of the opposition that it was discarded as soon as it could be got rid of?

Mr. MEIGHEN: The statements are absolutely in harmony, and the hon. gentleman knows it. What the hon. member (Mr. Clark) says is that for scouts, snipers, specially trained men, they proved useful, but for the body of troops not specially trained in handling the rifle they were not. The hon. gentleman appears now to know a great deal about it; I wish he had had something to do with it.

Mr. ARCHAMBAULT: Does the hon. member suggest that the rifle was retained for the use of cadets?

An hon. MEMBER: Boy Scouts.

Mr. ARCHAMBAULT: Boy Scouts—well, that will serve my purpose just the same.

Mr. CLARK: My hon. friend—

Some hon. MEMBERS: Order.

Mr. CLARK: The hon. member has asked a question, and I propose, with the permission of the Chair, to answer it.

Mr. ARCHAMBAULT: With my permission, please. And I give it to my hon. friend readily.

Mr. CLARK: I said that the rifle was retained for the scouts. The Minister of Justice (Mr. Lapointe) apparently thought that "scouts" meant Boy Scouts, but I may explain that the scouts and snipers were the men who did the sniping and were in the most exposed spots, and that rifle was retained for them to the end of the war. That rifle was of particular value for expert riflemen.

Mr. ARCHAMBAULT: With all due respect to my hon. friend—I am not an expert in rifles, and I am very glad I am not—I take the word of Sir Arthur Currie in preference to his.

Mr. CLARK: Wherein does my word conflict with that of Sir Arthur Currie?

Mr. ARCHAMBAULT: It is easy to show that. This is what Sir Arthur Currie says:

> Furthermore, expert advice before the war and in the early months of the war condemned the Ross rifle. These experts said it was no good, and it was no good, yet strong pressure was exerted on Canadian units to continue its use, and even after it had been discarded by the first division other units were armed with it, and forced to use it.

Mr. MEIGHEN: Will the hon. gentleman tell us what else we could have used, how we could have got another rifle?

Mr. LAPOINTE: Let Sir Arthur Currie tell us.

Mr. ARCHAMBAULT: Ask Sir Arthur Currie about it.

Mr. MEIGHEN: Have your committee and we will ask him, I will assure you of that. The Minister of Justice is not a bit more anxious for the committee than you are.

Mr. ARCHAMBAULT: If my hon. friend will allow me to proceed, I have been very indulgent—,

Mr. CLARK: Just before my hon. friend proceeds I would like to point out for his information that it was under Sir Arthur Currie and by his express permission, that the Ross rifle was retained for the scouts and snipers in all infantry regiments that wanted to retain it.

Mr. ARCHAMBAULT: Now, does the hon. member deny the statement that Sir Arthur Currie has made in that respect?

Mr. CLARK: Not at all; we are talking about two different things. Sir Arthur Currie is referring to the rifle for its general purpose as a service arm, but not for the purpose of the training of troops, and not for the purpose of an expert rifleman.

Mr. ARCHAMBAULT: I am also referring to what Sir Arthur Currie refers to. All the discussion has been useless if my hon. friend does not refer to the same thing as I do. As I said before, through the blunders of the last administration, the country lost, according to Sir Arthur Currie's statement, the sum of $247,313,394, and I will tell the House how. Sir Arthur Currie clearly states that the sending of unnecessary men cost $150,000,000. I have now the cost of the Oliver equipment, which is mentioned by Sir Arthur Currie. This equipment cost the country $639,000. I have also the cost of the Ross rifle, which cost $9,577,120. I have the cost of the harness, which is $4,000,000, making a total of $164,216,120. Now if you take the interest from 1919 to 1925 at an average of 5.25 per cent, which has been the average interest on our debt, you have to add to this sum $83,097,274, making a total of unnecessary expenditure during the war of $247,313,394. The figures regarding the Ross rifle were given in a return brought down to the House in April, 1917. Up to that time 342,000 Ross rifles had been supplied at a cost of $25 for the earlier lots, and $28 for those produced since December, 1912. The total cost would be between a minimum of $8,551,000 and a maximum of $9,577,000. I have the same basis for calculation with respect to the Oliver equipment, which was given in a return brought down to the House on February 6, 1917. I find that about 97,000 sets of Oliver equipment were purchased in the fall of 1914 at an average price of $7 per set, and if my hon. friend will take the time to figure that out he will find that it amounts to something like $679,000.

Mr. ROSS (Kingston): Before the hon member passes from the Ross rifle I would like to ask a question. When the investigation was held as to the defects of the Ross rifle, who was Minister of Militia, and what government was in power when that rifle was forced upon them?

Mr. ARCHAMBAULT: I do not suppose I need answer that question. The second item which I contend increased the debt, through the blunders and maladministration of the late government, was the expenditure on the merchant marine.

Mr. MEIGHEN: Does the hon. member know or has he any information as to how many months it would take to re-equip a factory to produce another type of rifle?

Mr. ARCHAMBAULT: Does the hon. member know himself?

Mr. MEIGHEN: I do. It would take twelve months, according to the best experts we had. The hon. gentleman, I suppose, argues that our men should have gone without rifles for the twelve months. I suggest he ask the hon. member for Rimouski (Sir Eugene Fiset) something about this.

Mr. ARCHAMBAULT: As I said before, I take the word of the Commander-in-Chief of the Canadian army, who is now Chancellor of McGill University, and if my right hon. friend is ready to make the statement that Sir Arthur Currie did not tell the truth, let him say so, and not run round about it.

Mr. MEIGHEN: Just have us before a committee. Move the resolution, instead of keeping it where it is.

Mr. ARCHAMBAULT: I did not move my resolution for the same reason my right hon. friend did not bring on his resolution on the tariff.

Mr. MEIGHEN: I will promise to bring mine up. Will the hon. member promise to bring his?

Mr. ARCHAMBAULT: Well, we will bring them both together. Before passing to the other item of the merchant marine, I would like to make just one remark regarding this war expenditure.

Mr. MEIGHEN: Is it the fact the hon. member has dropped his resolution from the order paper?

Mr. ARCHAMBAULT: Yes.

Mr. MEIGHEN: Oh, I see. I have not dropped mine.

Mr. ARCHAMBAULT: My hon. friend has been long enough in the House to know that if I had not dropped my resolution, I could not have brought this matter up in the budget debate.

Mr. MEIGHEN: Bringing it up in the budget debate does not get a committee.

Mr. ARCHAMBAULT: It may get a committee.

Mr. MEIGHEN: Go on with it.

Mr. ARCHAMBAULT: It was my desire to bring this matter before the House, and I first sent in my resolution on the 29th of November last, but as I said before, hon. members of the Progressive party had cluttered up the order paper with motions before leaving—to please my hon. friend who interrupted me a few moments ago, I will say it was the members of the Ginger group. Therefore, as I was desirous of bringing this matter before the House I had no other course than to drop my resolution, and to speak on this matter on the budget. Before leaving this matter I may say that similar statements to those of Sir Arthur Currie were made before—regarding the men, regarding the Oliver equipment, and regarding the Ross rifle. The statements were made in this House in 1917 by other gentlemen who are not here in this House, and we were accused of disloyalty for making these statements. I wish to bring to the attention of hon. gentlemen an editorial in the Montreal Gazette on the statement of Sir Arthur Currie, and I say without the slightest fear of contradiction that if in 1917 we had made speeches containing what is contained in the Montreal Gazette editorial of September 12, 1924, we would have been called disloyal by the members of the late administration. Here is the editorial:

> The country is bound to be shocked and aroused by the startling charges of waste of effort and waste of money directed against our war governments by Sir Arthur Currie, our war general, last night.
>
> Sir Arthur charged, first, that, "100,000 men were enlisted and sent to England who were of no use to us in the field."
>
> This, it will be kept in mind, is the considered judgment of the man who commanded our armies in the field, and who thus knew exactly and by direct contact what men were of use and what men were not. His testimony is expert and practical testimony of unequalled weight. Yet he tells us soberly, six years after the war is over, that our authorities sent him 100,000 men who were of no use to the fighting forces in the field.
>
> It is not too much to say that so grave and far-reaching a charge simply stuns. Sir Arthur calculates that each useless man cost the country $1,500. He is in a position to give us exact information on that subject. His estimate ought to be accurate. So we find no comfort in any hope that he may be wrong as we add up the astounding total and discover that this single category of blunders cost this nation $150,000,000.

But listen to this, and this is the part to which I referred a moment ago when I said that if we had uttered the statements mentioned in this article in 1917 we would have been called disloyal by the same group that ran the war.

> Nor is this the whole story.

This is the Gazette speaking.

> The withdrawal of 100,000 men from productive activity in Canada during whatever time they were in uniform, must have been of immense loss to the Dominion. Wartime industry was pressing every possible man into employment. Thousands who were rejected as unfit for the actual fighting, were gladly allowed to "do their bit" in the munition factories. Women were employed.
>
> What a boon it would have been to have had the services at home of these 100,000 men who were fit enough to pass the examination and so must have been better than the unfit who did man the factories? Yet these men were taken away from useful employment, clothed, drilled and fed at the expense of the country, shipped to England at our cost and maintained there unproductively—a charge on the scanty food supplies of wartime Great Britain—and all because, as Sir Arthur says, expert advice was not taken or accepted. It was a terrible price to pay for ignoring the disinterested experts.

Here is the editorial of the Gazette.

Mr. MEIGHEN: May I say to the hon. gentleman that not a man was sent without the authority of expert advice. If any were sent who were not qualified it was because the experts were wrong.

Mr. ARCHAMBAULT: Does the right hon. leader of the opposition deny the truth of the statements coming from Sir Arthur Currie?

Mr. MEIGHEN: I deny that.

Mr. ARCHAMBAULT: I am very glad to get this opinion.

Mr. MEIGHEN: Get us a committee.

Mr. ARCHAMBAULT: Hon. gentlemen opposite will find that the same criticism was made by Sir Wilfrid Laurier in the House of Commons on July 24, 1917, reported at page 3725 of Hansard of that year but I will not

take up the time of the House by reading the remarks of that lamented statesman. The same criticism was made about the Oliver equipment.

Mr. CLARK: Were these men medically examined before they were sent overseas?

Mr. ARCHAMBAULT: Yes, I think they were.

Mr. CLARK: Who examined them?

Mr. ARCHAMBAULT: The doctors paid by the government.

Mr. MEIGHEN: Who were they?

Mr. ARCHAMBAULT: Now, Mr. Speaker, let me—

Mr. MEIGHEN: Will the hon. gentleman say they were not recommended by the hon. member for Rimouski, (Sir Eugene Fiset)?

Mr. ARCHAMBAULT: The hon. member for Rimouski is pretty well able to defend himself.

Mr. MEIGHEN: He recommended the method of appointment.

Mr. ARCHAMBAULT: Now let me quote a statement of Sir Wilfrid Laurier on the Oliver equipment in the House of Commons in 1917, to be found at page 23 of Hansard of that year:

> Sir, everybody within the sound of my voice is aware that persistent rumours have been coming from England, by everyone who has come back from there during the last two years, that the equipment which the Canadian troops took with them to England, and which was purchased in Canada, had to be scrapped as soon as our troops reached England, and cast aside as of no value whatever.

This was the warning given by Sir Wilfrid Laurier in 1917, as he gave warning about the men sent over, and as he gave warning about the Ross rifle. These warnings, in my opinion, constitute a vindication of the memory of that great statesman, and a tribute to his far-seeing judgment and his policy.

Before I was assailed by the riot from the other side I was coming to my conclusion regarding Sir Arthur Currie's statement, and mentioning to the House that through unnecessary war expenditure and not having followed the advice of the expert, the late government increased the debt of the country by $247,313,394.

My next item is the expenditure on the Canadian Government Merchant Marine—and I shall only mention the figures. I will not recall to the House the sad incident when the ship of the ex-Minister of Marine and Fisheries, Mr. Ballantyne, sank in Montreal during the last election. The expenditure on the merchant marine, the useless merchant marine, was $80,000,000. The interest from 1920 to 1925, at an average of 5.25 per cent, was $28,758,858, making a total of $108,758,858.

The third item is the loss of revenue on account of tax-free bonds. Taking the statement for 1925 as a basis and taking into consideration the redemption of such bonds, the loss in revenue in relation to these tax-free bonds for 1920-21 to 1924-25 would be $110,420,452. The interest on losses from year to year at an average of 5¼ per cent would be $13,265,783, making a total of loss to the country by the issuance of these tax-free bonds of $123,686,235.

Mr. STEVENS: Will the hon. gentleman tell us how he arrives at the sum of the total loss of revenue on account of tax-free bonds? Will be elucidate that?

Mr. LAPOINTE: We might have a committee.

Mr. MEIGHEN: He does not want any committee. He wants only to get something on Hansard for campaign literature.

Mr. ARCHAMBAULT: In answer to that question, I say that the total of these figures was prepared by experts of the Finance department.

Mr. MEIGHEN: By whom?

Mr. ARCHAMBAULT: I have the detail of the figures here and I will be very glad to put them on Hansard.

Mr. MEIGHEN: Give them now.

Mr. STEVENS: This is not any captious criticism on my part. There is a very important point, if the hon. gentleman will permit me to ask the question. I cannot see how the hon. member can arrive at his figures at all. There are thousands of persons holding tax-free bonds. If a tax-free bond were changed into a taxable bond, it does not follow that that bond would pay income tax. We would have to find out by whom these bonds were held, before we could arrive at any figures.

Mr. ARCHAMBAULT: I am not prepared to enter into a discussion as to how the department arrives at these figures. Let me answer my hon. friend's question now.

Mr. MEIGHEN: Will the hon. member give me the name of any human being—

Mr. ARCHAMBAULT: I do not have to take orders from the right hon. leader of the opposition.

Mr. MEIGHEN: I am not giving orders. I am asking questions.

Mr. ARCHAMBAULT: These are the figures prepared by the official of the Finance department.

Mr. MEIGHEN: By whom?

Mr. ARCHAMBAULT: I do not need to name anybody. Will my hon. friend deny that this is an approximate statement of the loss?

Mr. MEIGHEN: I say it is obvious nonsense.

Mr. ARCHAMBAULT: Well, it will be for my hon. friend, who is going to speak tomorrow, I understand, to give us his views on this question.

Mr. GRAHAM: We can understand why my hon. friend does not like the opinions of the experts.

Mr. MEIGHEN: I would like their names, before I would admit that they are experts.

Mr. ARCHAMBAULT: I come now to another matter which probably will not be so controversial. Another loss which the country has sustained on account of the blunders of the late administration was the $10,000,000 paid to the Canadian Northern Railway shareholders for worthless stock, according to reports of my hon. friend the ex-Minister of Finance (Sir Henry Drayton). Is it not a fact that the hon. gentleman in making his report stated that the common stock of this company was actually worthless? And still the late administration paid ten million dollars for this worthless stock. The interest on that sum from 1919, capitalized every year at the average rate of interest of five and a quarter per cent, amounts to $3,808,167, making a total of $13,808,167. Now, Sir, if we add those sums, $247,313,394, $108,758,858, $123,686,235 and $13,808,167, we arrive at a total increase in the debt of the country through the blunders and maladministration of the late government, of $493,566,654, and I say that the total debt of Canada before the war was $335,000,000. The annual interest charged which we are paying this year on that sum, calculated at an average of five and a quarter per cent, amounts to $25,912,248, practically double the interest we were paying in 1914.

Mr. MEIGHEN: Has the hon. member calculated the cost of the Transcontinental and the Grand Trunk Pacific with interest since construction?

Mr. ARCHAMBAULT: No, if my hon. friend had been listening to me—

Mr. MEIGHEN: It would be twice or three times that.

Mr. ARCHAMBAULT: —he would have noticed that before speaking of these expenditures I prefaced my remarks by saying, "Leaving aside the railway muddles into which the late administration has plunged us, I will now give the figures". It ill behooves a party responsible for these errors to talk about economy. You may say those are things of the past. That may be true. The deeds of the past are the soundest criterion for the elector when an election comes. He has to look upon the record of the past administration when in office. We have the same men and the same spirit, and if the electors of this country are willing to bring them back to power it would mean the same disaster.

Before concluding, may I point out something even more valuable than sound administration, something that this government has attained, the great task which was accomplished, I am pleased to say, with the help and co-operation of the Progressive party. During the tenure of office of the late administration some of the provinces were not represented in the government, and hon. members have read in the Tory press the bitter attacks which have been made in a religious, racial and sectional spirit.

Mr. MEIGHEN: Never in the world.

Mr. ARCHAMBAULT: I remember them myself, and the hon. member I am sure will not ask me to quote some of these attacks. I did so a few years ago, when my hon. friend for West Toronto (Mr. Hocken) questioned me one day, and it is such an obvious fact that it does not require any answer. During the time of the late administration, from 1911 to 1921, especially in 1917, as everyone knows, bitter attacks were made by Tory members of parliament and by the Tory press in regard to sectional, racial and religious questions. Sir, when the Liberals came into power the country, from the Atlantic to the Pacific, was ripped and torn by those attacks. The first goal toward which the Prime Minister concentrated his efforts—and I say this in commendation of his action—was the restoration of harmony and unity that was necessary to the welfare of the country. It was no easy task, Mr. Speaker. Resentment and hatred were rampant in the country. Sores purposely inflicted by the late administration were still open and bleeding. Nobody can deny that. A deep chasm between the different races, religions and sections of this country could not be easily bridged. But the Prime Minister (Mr. Mackenzie King)

following in the footsteps of one who had devoted his whole life to bringing about unity and harmony in this country, set himself to this task, and I may say that he has succeeded. I appeal to you, Mr. Speaker; I appeal to the members of this House: Is it not a fact that since this government has been in power, you have not heard attacks of this nature in this House? I said a moment ago that this was due not only to the Prime Minister, but to the help of the Progressive party; and the reason why the Tories are not making that kind of attack any more is that they know very well that the Progressives on that side would not stand for it. How different is this parliament from the old parliament! How different is the press of the country—

Mr. MEIGHEN: Can the hon. gentleman not favour us with just one instance? It would not take him long to quote just one. Perhaps he would also find its counterpart from someone over there.

Mr. ARCHAMBAULT: I know my right hon. friend is using his own devices in trying to stop me in the middle of a sentence. I accept that with many others. I was saying that this parliament was different from the old parliament before 1921. I was stating also that the press of the country was different, and that we did not hear any more of these attacks except perhaps a revival of them by some of the Conservatives of Montreal, which attacks can be found in the speeches to which I referred a moment ago. But I am convinced that the Canadian people, who have suffered so much on account of these controversies of the past, which have hampered and retarded the progress of this country, will not very readily entrust their future in the hands of the sowers of disruption and strife, but will allow one who has given the best of his energy, the best of his patriotism, to heal what seems to be incurable, to cement what seems to be uncementable, to finish his work and to bury forever the last remnants of disunion and discord.

Mr. R. B. HANSON (York-Sunbury): Mr. Speaker, in rising to make a few remarks on the budget, I may, perhaps, be pardoned if I do not follow the hon. member for Chambly and Verchères (Mr. Archambault) into all the highways and byways of political discussion through which he has led the House this afternoon. While I listened to the hon. gentleman's discourse, and especially the latter part of it, I could not help thinking there must be some truth in the newspaper rumour to which currency has been given in the past few days, that the hon. member for Chambly and Verchères is a candidate for cabinet honours and that he is to-day endeavouring to win the place to which he aspires. I do not think it is very profitable to hon. gentlemen in this House or to the country at large that, at this late date, so many years after the close of the bloody conflict, we should be rehashing old stories such as that about the Ross rifle and kindred subjects which made up the substance of my hon. friend's effort this afternoon. The speech made by the hon. gentleman was made with a very deep design; he was engaged in making campaign thunder in his province, and he made it for that purpose alone. I would like to ask the hon. gentleman and other hon. gentlemen opposite: Who was it that loaded the Ross rifle on the people of this country? Who was it that armed the Canadian militia with the Ross rifle, and who was it that made it impossible that any other rifle should be in the hands of Canadian soldiers when they went to battle?

5 p.m.

Some hon. MEMBERS: The Tories.

Mr. HANSON: The best answer can come from the hon. member for Rimouski (Sir Eugène Fiset) who, at that time and for long years afterwards, continued to be the departmental head of the Militia department. He and everybody else in Canada know that the Ross rifle, whether for good or for ill, was loaded on to this country by the late Sir Frederick Borden and the Liberal government. It is not on record that the hon. member for Rimouski, some time Minister of Militia and Defence in this country, ever raised his voice in protest against the Ross rifle.

Sir EUGENE FISET: Never minister.

Mr. HANSON: Deputy minister—I beg the hon. gentleman's pardon—perhaps soon to be minister, if I may put it in that way.

There are in the speech of the hon. member for Chambly and Verchères one or two matters on which comment might be made with some profit. First, I desire to refer for a moment to his references to the hon. member for Fort William and Rainy River (Mr. Manion). One would suppose, to hear the hon. gentleman's criticism of that hon. member, that it was a crime for anyone to change his political allegiance or opinion. Many a first-class citizen who, prior to 1917, was of the Liberal persuasion, in that year and in succeeding years changed his political allegiance from the Liberal party to the Conservative party, for good reasons, never to return to the Liberal party again. Many a

man in a high walk of life in this country, for good cause shown, changed his political allegiance at that time, just as the hon. member for Fort William and Rainy River did, and not like other gentlemen, some of whom are members of this House to-day, who changed their political allegiance for the time being just because it suited their purpose to do so, and who, when the time came, skulked back into the ranks of the Liberal party.

Before launching into his eulogy of the government and his attack on the late administration, the hon. member announced to the House and the country his position with reference to the placing of a prior lien ahead of other secured liens under the Special War Revenue Act. I agree entirely as to the injustice of that legislation, and I support what the hon. member has to say about it, but I want to tell the House and the country that the hon. gentleman himself voted for that legislation, and it ill becomes him now at this late date to take this position. If he is right to-day, he was wrong when he voted for that legislation and recreant to his duty.

Mr. ARCHAMBAULT: I do not wish to interrupt my hon. friend, but I am sure he does not want to mislead the House. He is wrong in saying that I voted for that special resolution.

Mr. HANSON: Was not that resolution crystallized into law as a result of the passing of the budget last session? It came into force on April 1 this year. Did not the hon. gentleman vote for that budget? I have no recollection of this special resolution, but I know he supported the government which put that special provision on the statute book, and he still continues to support it.

Mr. ARCHAMBAULT: Yes, and I am criticizing the government for it. Can I be more frank than that?

Mr. HANSON: It is a little bit late, I suggest, on the part of the hon. member. He supported the government that put this special resolution on the statute book, and if rumour be true he is a candidate for a position in that government at the present time.

Mr. ARCHAMBAULT: No, no, the rumour is not true.

Mr. HANSON: I am not worrying very much.

Mr. MEIGHEN: The bench would be safer.

Mr. MANION: Yes, far safer.

Mr. ARCHAMBAULT: It is just hearsay.

Mr. HANSON: Before criticizing the budget, Mr. Speaker, I should like to refer for a moment or two to some remarks made last week in the course of this debate by the hon. member for Cape Breton South and Richmond (Mr. Kyte). That, too, was an election campaign speech. Stung by the just criticism of the hon. member for Fort William and Rainy River, he went back into history thirty years to bring before this House what is commonly called the tu quoque argument. He did so quite effectively from his own point of view. But let me point out to the House and to the country that the trip to Wembley was a joy-ride pure and simple, indulged in by the chief whip of the Liberal party and his coadjutor and the chief whip of the Progressive group; while the trips to England referred to by the hon. member for Cape Breton South and Richmond of the ex-Minister of Militia and Defence (Mr. Guthrie) and the ex-Postmaster General (Mr. Blondin) were made on official business, and on official business only. What would the country think if members on this side of the House were to go to the last report of the Auditor General and dig up the expenses of the Prime Minister to the last Imperial conference?

Mr. MACKENZIE KING: I wish the hon. member would do that.

Mr. HANSON: I have no desire to do it. We do not wish the Prime Minister of this country to go to the Imperial conference unless he goes "right" in the parlance of the street.

Mr. MACKENZIE KING: I would ask my hon. friend to do that.

Mr. HANSON: I am not suggesting that we do that sort of thing. But to do so would be quite on a par with what his own chief whip did with respect to the hon. member for South Wellington, who as Minister of Militia went to the Old Country in 1921—and who by the way is not here to defend himself and explain his trip. But what the country is interested in, and what it remembers at this particular time, is that $4,200 of the people's money was spent by this government to give a joy-ride to three members of this House, and the country resents such expenditure. No newspaper either supporting the government or opposed to it has, so far as I am aware, defended that expenditure. It is simply not defensible. Those members went over to the Wembley exhibition on a joy-ride pure and simple, not on any official business.

I should like to extend to the Acting Minister of Finance (Mr. Robb) my congratulations on the manner of the presentation of his budget. Since coming into this House as a new member in the session of 1922 I have received at his hands nothing but the most courteous treatment, and I think it is only fair that I should so state on this occasion. As a member from the Maritime provinces, I should also like to join in the kindly references which have been made to the right hon. Minister of Finance (Mr. Fielding). Those of us who come from the Maritimes, where we are few in number, have a feeling of distinct pride in the fact that the Maritime provinces have since confederation given to this country no less than three prime ministers and no less than three finance ministers, all men of exceptional merit and standing. That is an achievement of which in the short history of this young nation I think any small community may well be proud. Not the least among these distinguished men is the right hon. Minister of Finance whom I have the privilege and pleasure of referring to now. While we do not agree with him politically, while we think that many of the policies which he has enunciated and carried out in the past have been defective, yet we all recognize the fact that he has been a great public servant, and now when he is perhaps in the shadow of his lifetime I desire, as a Maritime province member, to accord him this mead of praise and appreciation.

While I can congratulate the Acting Minister of Finance on the manner of his budget speech, I regret that from the standpoint of the country it is not possible for me to offer him my congratulations on the matter of it. His budget has been criticized in various places and in various ways. Our friends on my immediate left are wont to call it a stand pat budget. It does not please them. I have searched in my mind for an apt term to apply to this budget, and I am of opinion that I can characterize it in no more fitting way than as a juggler's budget. When I was still a youth and before I took any great interest in public affairs, I well recollect how astounded I was at reading the reports of the budget speeches delivered in this House from 1896 to 1911 by the right hon. Minister of Finance. Knowing as I did that the Liberal party was pledged against the principle of high protection and to the policy of low tariff or free trade, I was puzzled to understand how it was possible that through all those years that party could with any show of consistency, with any show of political decency and honour, pursue the course which they did through fifteen long years. Having come into this House, however, and having watched the government and its supporters, I can understand the riddle. This party from first to last on the tariff question has adopted the tactics of the juggler; on the one hand, it has sought to appease one element of public opinion by preaching free trade or low tariff wherever it thought it would be to their advantage to do so, and on the other, cheek by jowl, to extend to the manufacturers secret information that they had no cause to fear the Liberal party, with respect to high protection. Having listened to last year's budget and to this year's budget, last year's having been a gesture towards free trade, and this year's a gesture towards a stand pat policy, I now understand that it is the policy of this government, led by the Prime Minister, to adopt the same attitude that characterized the Liberal party during the many years when they were in office previous to 1911. You can fool some of the people some of the time; you can fool all the people part of the time, but you cannot fool all the people all the time, and the people of this country who believe in a tariff policy are beginning to find out just what the Liberal party stand for.

I think I can see the fine Italian hand of the Prime Minister in this budget. Last year we had a budget which in its material effects was a forward step in the direction of low tariff or free trade; so much so was it that it pleased a large majority of gentlemen immediately to my left and caused a considerable number of high protectionists in the Liberal party across the way to vote against it. It was of such a character that it caused the Minister of the Interior (Mr. Stewart) who sits for the county of Argenteuil in the protectionist province of Quebec, to characterize it as the "death knell of protection" and to call down upon his humble head the execrations of many of his most ardent supporters in that county—in fact, to bring forth a demand for his resignation. The Minister of the Interior is still proclaiming that this government is a free trade or low tariff government. But he is doing it now at very low breath after having listened to this budget speech, and without any very great degree of sincerity or of conviction that as a result of this budget and what it foreshadows there will be any very material change in the tariff of this country.

Hon. gentlemen who sit to my left have by moving an amendment expressed disapproval of this budget, and if they represent public opinion in the communities from which they come they will stand by the wouldbe resolu-

tion of the hon. member for Brandon (Mr. Forke) and will vote against the budget to a man. But I venture to say, having observed some of these hon. gentlemen now for nearly four sessions; having observed the gestures that have been made to them from time to time from across this chamber; having observed the alacrity with which some of them come to the rescue of the government whenever there is any probability of its being defeated, or the alacrity with which some of them side-step any vote when there is a chance that they might put the government in danger—I venture to say that when the vote on the budget is called there will be an element ready to save once more the skin of the government. I do not understand why some hon. gentlemen camouflage themselves any longer—we all know who they are in this chamber. I do not know why they cannot be as honest as the member from Muskoka (Mr. Hammel) and the member for Prescott (Mr. Binette and cross the floor of the House where they belong. That at all events would be political decency.

Mr. ELLIOTT (Dundas): Must we ask the hon. gentleman what we should do?

Mr. HANSON: The hon. gentleman will not have much to say about it, so far as I can see, after the next election down in the county of Dundas.

Mr. ELLIOTT (Dundas): We have heard prophecies from the hon. member before.

Mr. HANSON: Well, I never posed as much of a prophet, but everybody knows where hon. gentlemen in this part of the chamber stand on questions of principle. We do not preach one thing and practise another.

I have been curious to understand, Mr. Speaker, just what were the underlying reasons that induced the Acting Minister of Finance to drop his proposal with respect to the dumping clause. Was it because of the fierce opposition to that proposal which arose in the Canadian west, as offered by their representatives here, or was it because it was one of those ill-conceived and ill-digested proposals that the government has brought down on more than one occasion? Perhaps we will know a little later just what the reason was that that child was stifled before it was actually born. There is one thing it will do, however: It will give some hon. gentlemen to my left an excuse, or an opportunity, we will say, to support the budget. I venture to say that at least a dozen of them will support it; probably more than that, and this will serve as an excuse for doing so.

The most disconcerting phase of this budget, to my mind, is that in none of the proposals is there any relief for the tax-ridden people of this country. If there is one thing that is agitating the public mind at the present time more than another it is the burden of federal taxation—yes, and of provincial and municipal taxtion—which the people are labouring under. Unless there be some relief in this direction, especially with reference to the income tax, there will be an emigration of capital from Canada. This country lies for 3,000 miles along the border of the United States and anybody who has studied the fundamentals of taxation or of political economy knows that a country situated such as ours is should not have appreciably higher taxation than its neighbours to the south. Just so long as there is a marked disparity between the income tax in Canada and the income tax in the United States, just so long will there be an efflux from Canada to the south, where the taxation is lower. If hon. gentlemen have any doubt about it, let them obtain from any trust company the calculations as to the difference between the income taxation in Canada and that in the United States. Let me give a concrete illustration. I have in mind a gentleman living in New Brunswick who for years spent his winters in Florida. Recently he came to the conclusion that because of the decrease, or the promise of decrease, in taxation in the United States it would be much better for him to become a permanent resident of the state of Florida than to remain in New Brunswick, and he proposes taking up his domicile in that state. First of all, he would pay less income tax; secondly, there is no inheritance tax in the state of Florida; the President of the United States has in his public utterances stated that the federal authority should discontinue the collection of inheritance taxes and should leave that matter to the states alone. Does anybody in Canada believe that that will not have a marked effect upon the efflux of capital from Canada to the United States?

Just let me pause to consider what the effect will be. If the disparity is great enough the result is almost sure to be to the disadvantage of this country. Therefore I say the government should begin, and begin at once, to give some consideration to this question of income tax disparity, and to put our taxation on a level, or nearly so, with that of the neighbouring republic.

Furthermore, there has been no reduction in this country in other vexatious imposts placed upon the backs of the taxpayers by the present government. It is true that after

the sales tax was raised to 6 per cent, the government discovered that a great mistake had been made because of the pyramiding of that taxation and the increased cost of living, and the sales tax was reduced in a certain degree last session, but it is still not back to the level where people expect it to be placed. Neither has there been any reduction in the other direct taxation imposts made by this government since it came into power.

Mr. ROBB: Will my hon. friend allow me to just remind him that last year we removed the sales tax altogether from the implements of production, that we reduced it 2½ per cent on boots and shoes, and we added a long list of articles that are free of sales tax altogether.

Mr. HANSON: I am quite aware of that. I have already made reference to the fact that the government, having regard to its hasty and ill-digested resolutions of 1923, at the first opportunity took a step to redress the grievance that had been thus created, and no one knows that this grievance was created by the budget of 1923 better than the Acting Minister of Finance. But I want to tell the hon. gentleman that he has not gone far enough yet, that the people of this country are demanding further decreases in taxation.

Mr. ROBB: We will give it to them in time.

Mr. HANSON: I am not so sure that the hon. gentleman will; I do not think he will be in power to give it to them after another election. There is no question that a thing that is agitating the business men of this country to-day is the absolutely heavy cost of doing business, and the sales tax is one of the greatest items in that cost. Now I do not object to a reasonable sales tax, but a sales tax that can be pyramided as this tax has been pyramided in the past has become a burden to the people, and whether they have reason to do so or not, they are crying out against it. That is the topic of conversation one hears all over. If one goes to a directors' meeting or a meeting of shareholders; if one discusses business matters before a board of trade in this country, he will be met by the query: When is the government of this country going to start to reduce taxation?

Mr. EULER: May I ask a question, purely for information? It is possible the reply may come in due course. If the taxation is reduced as my hon. friend suggests, and I for one would like to see it also, what other means of raising the revenue would he adopt?

Mr. HANSON: I had it in mind to answer the very question which the hon. gentleman (Mr. Euler) has asked. It is true that in order to balance the budget of this country you must have revenue. It is also true, indeed, axiomatic, that there are two ways of balancing a budget; one is by way of taxation to meet the expenditure, and the other is by cutting down the expenditure. Now we have not had much evidence on the part of this government of any attempt to cut down the expenditure.

Mr. ROBB: Oh yes, we have.

Mr. HANSON: Very little. It is true that business conditions in this country have been so bad during the past twelve months that there was a loss in revenue of $52,000,000, but that was not altogether on account of the reduction in the sales tax. That was due to the loss in business turnover in this country, and if the hon. gentleman does not believe it, let him go to any clearing house, to any of the banks or the wholesale firms, and they will every one of them report to him, at least in my part of the country, that there has been a diminution in the volume of business done during the past twelve months, and that is the reason why the revenue has dropped, especially that part of it affected by the sales tax.

The hon. member for North Waterloo (Mr. Euler) asked a very fair question, and I was proceeding to answer him. There is only one proper remedy for the balancing of a budget in this country at this stage of its existence, and that is to pare expenditure, and pare it to the bone—not to increase taxes. The people of Canada are taxed now to the limit, beyond the limit, beyond anything they ever dreamed they would have to pay; and the proper remedy in my judgment, and one which I think will appeal to the ordinary taxpayer, is that there shall be a paring of governmental expenditure not only in the federal arena, but in the provincial and municipal areas as well, and a paring to the bone. Such things as a Scribe hotel purchase should never be tolerated for one moment. The money for that purpose was found by the taxpayers, either by way of cash advanced to the Canadian National Railways or by way of bond guarantee by the people of this country. The building of a quarter of a million dollar golf course by the Canadian National Railways is a piece of extravagance

that the people are not going to put up with. The spending of another quarter of a million dollars by Sir Henry Thornton and his co-adjutors on the installation of radio along the lines of the National Railways is another piece of extravagance.

Mr. GRAHAM: I am afraid my hon. friend is a little high in the figures he is quoting.

Mr. HANSON: I venture the assertion that when we get the full facts out, and when the stations that are now in course of construction are completed, the capital expenditure on radio by the National Railways will exceed $250,000.

Mr. GRAHAM: That is prophetic.

Mr. HANSON: I want to ask the Minister of Railways (Mr. Graham) what justification there is for spending $80,000 for a radio station in the city of Moncton, when the people living along a branch line in my constituency cannot get a shelter built to house them from the wintry blasts of January, and that would cost about $150. In some instances they cannot get fuel along the line of the National Railways to heat the shelters already built. Many a time I had complaints about that particular matter, that in certain shelters put up to house the people while they are waiting for their trains, there has not been fuel to heat and warm them from the chills of winter. And yet Sir Henry Thornton, if I am credibly informed, spent $80,000 for a radio station at Moncton alone, and the capital expenditure on radio throughout the system will be at least a quarter of a million dollars. I want to say frankly that in my humble opinion the people resent that kind of expenditure when they do not get adequate service on many of the branch lines, and when they have to put up with a tri-weekly service in many places where always before this government came into power they had at least a daily service, and when some communities have to put up with a jitney service which before had a steam railway service. I want to say further, that if we could get the information which I have asked for in more respects than one with regard to the Canadian National Railway, you would see that while employees in the humbler walks of life on that railway have been reduced from passenger conductors to freight conductors, from freight conductors to brakemen, and from brakemen to newsboys, and so on down the line, the permanent officials, heads of departments and managers of regions have been paid the highest wages in the history of the country. I happen to know, although I cannot get the information in parliament, that the general manager at Moncton to-day receives more money than ever was paid under the old Intercolonial management. I want to say very frankly and fully to the House, and I should like this criticism to go to the country, that while we were willing, and while the country was willing, to give Sir Henry Thornton a fair trial in the operation of the National railways, the country is getting about fed up with the way in which the system is being operated. Local freight rates on the Intercolonial are so high that you cannot begin to move commodities from one station to the other. Ask the hon. Minister of National Defence (Mr. Macdonald) what the local freight rates are on coal in his county? Why, the freight rate on the movement of coal from one community to the other in certain parts of the Maritime provinces comes to more than the value of the coal, and the people of those provinces are just about fed up with the management of the National railways.

Now, I want to say this; I do not think it is possible, notwithstanding what the hon. Secretary of State (Mr. Copp) said prior to the last Dominion election, to put the old Canadian government railways back into their former status; indeed I do not think it is desirable. I am glad the Minister of Railways is in his place and hears what I have to say on the subject: Having regard to our geographical position, having regard to the fact that in the eastern part of Canada the population is sparse and production is not, perhaps, as high as it might be, having regard to the fact that because of adverse tariffs and the loss of other markets, having regard to the fact that we are prevented, under present conditions, from doing business with other parts of the country, the Maritime provinces have got to have preferential treatment in reference to freight rates. It will not do to say that there shall be equality of freight rates. You cannot work that out successfully in this country. Geography is against us, water competition is against us; and the only solution of the difficulties of the Maritime provinces in connection with Interprovincial trade is to give those provinces preferential treatment. You can talk about the problem from now until doomsday and this will be the only solution of it. Years ago we had preferentials; years ago the manufacturing establishments in my city were able to compete with competitors in the province of Quebec, and otherwise, and shipped their products from coast to coast. To-day those establishments are handicapped because

those preferentials have been abolished, and in catering to the Canadian trade they are not able to meet the competition that now exists.

Mr. EULER: Would the hon. member suggest that freight rates should be controlled or fixed by the government rather than by the railway commission?

Mr. HANSON: No I would not, but if you will go down to the railway commission—

Mr. MEIGHEN: What about the Crowsnest pass arrangement?

Mr. HANSON: Yes, before I answer the hon. gentleman directly I will say this: We had an exhibition in 1922 in this House over the government's control of freight rates. This government by its right-about-face—if I may so characterize it—when it made certain gentlemen who are now amongst its members swallow themselves in a special committee and when it re-imposed upon the country the Crowsnest pass rates on wheat and wheat products, struck a blow at the best interests of the Maritime provinces, because the producers there were deprived of a 25 per cent decrease in the freight rate on coal, a most important commodity produced in that community. For nearly four years now the Maritime province people have been labouring under the handicap which was imposed by the special class-legislation introduced and put through by the government of the day on that occasion. No, I do not think that the government should fix freight rates but I do say this: No matter how good theoretically the policy of equalization of freight rates may be it is not physically possible to apply it to the extreme east or extreme west; it certainly is not possible to have equality of freight rates for the Maritime provinces. I therefore venture the assertion that there will be no satisfaction in the Maritime provinces, there will be no contentment, there will be no revival of business or of interprovincial trade between the Maritime provinces and the rest of Canada, until the freight rate structure is so adjusted that there shall be preferential treatment for that part of the country.

Mr. PUTNAM: When was there any interprovincial trade there?

Mr. HANSON: The hon. gentleman may have been asleep like Rip Van Winkle, but I should like to invite him over to my city and I will show him a factory in which the best boots and shoes in Canada are made, a factory which has been in operation since 1894, and has been a credit to the city of Fredericton. Let me tell the hon. gentleman in some years 75 per cent of the output of that factory has been shipped to western Canada and the Pacific coast. Let him stay a day longer and I will show him another factory in which the first canvas-covered cedar canoe was built in Canada. This has developed into an industry that at its height employs one hundred of the best skilled mechanics in the province of New Brunswick, and whose entire output is sold west of Montreal with the exception of a few odd orders in our own community.

Mr. GRAHAM: Neither of these factories is shut up is it?

Mr. HANSON: No, I will tell the hon. gentleman about that, I am glad he reminded me. I will just say to him that the Hartt Boot and Shoe factory of which we are very proud has been in operation not more than three-fourths of the time, and mostly one-half of the time since this government came into office; and that only by the very best of personal management, only by scouring this country from one end of it to the other for orders, are they able to keep going that much. I want to tell the hon. gentleman further that the cotton mill located within three miles of our city, employing about 800 hands, has not been running full time in any single year or any single month since this government came into power; that to-day it is running two-thirds of the time, or possibly three-fourths, and it has not been in operation full time for any single year since 1921. I want to tell him further that that cotton mill was built up under the National Policy by one of the old pioneers of this country, a gentleman who had vision enough to see that the country would not always be the dwelling place for hewers of wood and drawers of water, and while he might have put his money into Canadian Pacific stock or invested it in government bonds, he preferred to build up an industry in his own community which would employ Canadian labour, which would in turn buy the products of Canadian farmers; and the community in which I live—if you will pardon my referring to a matter which is in its nature personal—is a direct exemplification of the benefits of a moderate protective policy. It is about half industrial and about half agricultural. The industrials of my community consume everything that the farmers of the community raise save and except an excess in the case of potatoes and a few other commodities. For instance, take the little town of Marysville which I have in my mind's eye at the present time. No doubt the minister

knows it. The Secretary of State is very familiar with it. It is a town of slightly less than three thousand people. Its sole industry is one of the mills of the Canadian Coloured Cottons Limited, which took over the mill from the Gibson Company some years ago. That industry employs about eight hundred skilled mechanics and supports the entire community. The community consume all the agricultural products of the beautiful Nashwaak valley and the surrounding country. The industry pays large sums of money in wages in that community, and if the industry is shut down for one day a week the effect on the well-being of the entire community is felt.

Mr. PUTNAM: Does the hon. member contend that the shipment of Maritime freight up to central Canada is substantially less today than it was when his friends went out of power?

Mr. HANSON: No, but I say that cost of shipment would have been twenty or twenty-five per cent less if it had not been for the action of this government in 1922 in regard to the rates on basic commodities such as coal, iron and so on, when Mr. Beatty, of the Canadian Pacific, before the special committee, made certain proposals in regard to reductions which we hoped to get for the Maritime provinces, but which we did not get because the government sold out to the Progressives in order to obtain their support during that session—

Some hon. MEMBERS: Order, order.

Mr. HANSON: I think that is parliamentary. If it is not I will take it back.

Mr. MEIGHEN: My hon. friend can make it stronger.

Mr. HANSON: I do not intend to be unparliamentary.

Mr. STEWART (Argenteuil): I want my hon. friend to be fair in his reference to the matter of coal. He is aware that the rates from Nova Scotia, or from the Maritimes westward on coal, are cheaper than the rates in the United States, or cheaper than the rates in western Canada. I am speaking of through rates. The hon. member said that a much higher rate on coal was charged, but as a matter of fact the rate is cheaper from the Maritimes westward into Quebec and to other western points than it is in western Canada for the eastern movement or the United States movement.

Mr. HANSON: My hon. friend is aware that for certain portions of the movement of coal from the Maritime provinces there is water competition, I see the minister shakes his head. Let him go down to the railway commission and consult a little fellow, five foot tall, who weighs about a hundred pounds, and he will tell him more about railway rates and differentials than the whole group of members of the government will ever know.

Mr. STEWART (Argenteuil): Members of the government may be very dense, but that is not the point. The hon. member made the statement that rates were higher. I am calling his attention to the fact that they are lower than American rates, and they are lower than western rates on western movement eastward.

Mr. HANSON: That may be all true. I do not know whether it is true. I am willing to take the minister's word for it, but the point I am making is that if it had not been for the action of this government in 1922, when under the lash of the party whip, certain supporters of the government sitting opposite voted against the proposals made by the railway companies themselves, there would have been substantial reduction in all freight rates, and special reductions on basic commodities, and the Maritime provinces would have reaped the benefit of that during all these years, but we did not get any reduction.

Mr. STEWART (Argenteuil): That is the statement of my hon. friend.

Mr. HANSON: I can demonstrate it, and I do not think it is very much controverted. I have not the data before me at the present time, but I think I have it on my file.

Mr. STEWART (Argenteuil): I am content with my hon. friend's statement.

Mr. HANSON: We had the statement of the president of the Canadian Pacific Railway —and I know that Mr. Lanigan in his evidence before that committee amplified it very fully and the same statement was made by Mr. Hanna, then president of the Canadian National, that if the government would leave the hands of the railway commission free, if they would further suspend the Crowsnest pass agreement, and especially in relation to wheat and wheat products, all over Canada we would get a general reduction in freight rates and a special reduction in basic commodities. But the government of the day, I say for political reasons, sold out the eastern provinces, sold out British Columbia, Ontario and Quebec and the Maritimes, and restored the Crowsnest pass rates with respect to wheat and wheat products. The result was that the Maritime provinces especially were

handed a stone, and they do not forget that in the Maritime provinces. Believe me that when you touch the pocket of the shipper, and he becomes satisfied that preferential treatment has been given to other communities at his expense, he will remember it when the ballots are cast on election day. That is just one reason why neither my hon. friend the Minister of National Defence, nor my hon. friend the Secretary of State, is very anxious that the bell for election day shall be tolled. I wonder how my genial friend the Minister of National Defence will go back to Pictou county for re-election, and point to the increased duty on slack coal and say to them, "This is what I got you in place of what I promised you previous to the last election". The steel works at New Glasgow are still closed, Mr. Speaker. The best of the machinery has been moved to Sydney. The Nova Scotia Steel plant as a steel producing proposition in the country of Pictou is non est.

Mr. MACDONALD (Pictou): My hon. friend's information in regard to the steel industry in Pictou being non est is very inaccurate. The steel works at Trenton are working every day.

Mr. HANSON: I refer my hon. friend to a public letter issued by Mr. Thomas Cantley, late general manager of the Nova Scotia Steel Company, published in a Halifax paper just a few weeks ago in reference to the state of the steel industry in the county of Pictou The Secretary of State will not go back to Moncton and repeat the speech he made there in 1921, the day before my right hon. friend the leader of the opposition arrived in that city. I refer to the speech where he spoke of what he would do with respect to the Intercolonial railway.

Mr. MEIGHEN: Hear, hear.

Mr. COPP: I will be there.

Mr. HANSON: The minister says he will be there; I doubt very much if he will be there.

An hon. MEMBER: How about my hon. friend from York-Sunbury?

Mr. HANSON: Do not worry about me. I will look after my own business.

The hon. member for Waterloo (Mr. Euler) asked a very fair question. You cannot balance the budget in this country except by two methods; one is by increased taxation, the other by curtailing expenditure. This government has tried increased taxation with disastrous effect.

I should like to see—and I say this in no partisan spirit—what would be the effect if we could establish here a Geddes commission. I desire to say this in fairness to hon. gentlemen in front of me, especially to ministers of spending departments. Perhaps it is very difficult to keep expenditure down. But it ought not to be difficult in this year of 1925 to cut out the pork barrel in this country. We have not had it for the last session or two, but we did have it in all its glory in 1923.

An hon. MEMBER: What is a pork barrel?

Mr. HANSON: An hon. gentlemen asks: What is a pork barrel? He is not very well versed in political history—

Mr. POWER: Not that kind.

Mr. HANSON: —if he wants to know what a pork barrel is; if he really wants that information, let him examine the supplementary estimates of 1923, or for that matter, the main estimates of 1923, for Nova Scotia, and he will quickly come to a realization of what I mean by a pork barrel in Canada.

Mr. ROBICHAUD: Did the hon. member have them in York-Sunbury as well?

Mr. HANSON: We never had them in York-Sunbury as far as I know, but Shippigan has never been out of the estimates within the memory of living man. Probably it is right that some attention should be given to Shippigan. I was there once in my life and I know something of the conditions under which the fishermen there live. I am not objecting to that; but I am objecting that in this year of 1925, after we have gone through such a terrible struggle as the late war, after our national finances have got into the condition in which they are, after the difficulties we have all had in retrenching, it should not be possible that any government, I do not care what government or what political stripe they bear, should resort to a policy of constituency bribery, because that is what this amounts to. We had an illustration from the hon. member for Yale (Mr. Stirling).

Mr. GRAHAM: Is my hon. friend closing his remarks? If not, he ought to call it six o'clock. It is now after six o'clock.

Mr. HANSON: I am willing to call it six o'clock. I have not half finished yet.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. HANSON: When we adjourned for dinner, Mr. Speaker, I was endeavouring to enlighten some of my hon. friends to my left as to what was meant by the expression "pork barrel." I hope I made myself clear to them, and that it will not be necessary for me to advert to it at any greater length, except to reaffirm what I said in closing, that in my humble opinion any government which resorts to such political tactics in the present condition of the national finances deserves the severest disapprobation of the electorate. I do not care what political party may endeavour to take advantage of that practice, it is not the right and proper thing to do at any time, and particularly to-day when the country is in such a critical financial condition.

Now, the hon. member for Brandon (Mr. Forke) in the course of his remarks on the budget made a statement, which I do not think ought to go unchallenged, with respect to the income tax collections being an index of prosperity. Even though the hon. gentleman were right in his premises, I do not think he was at all justified in the conclusions which he reached. His words were:

> It may be that the wealth of the country is getting into fewer hands, that there is more wealth and also more poverty in Canada—that may be the explanation of the increased revenue from income tax. If that is true the fact is to be deplored; we do not want that condition in Canada. . . . However, I should like at some time to get an explanation from the Acting Minister of Finance as to what he thinks is the reason that more income tax is being paid in Canada under present conditions than was paid in previous years.

The official figures do not bear out in any degree the premises laid down by the hon. member; they show that there has not been an increase in the income tax collections during the last three fiscal years. I have before me a short table showing just what they were. In the fiscal year 1922-23 there was received from income tax collections $59,711,538, and from business profits taxes—the levy for which, as everybody knows, ceased after the accounting period ending December 31, 1920—there was received $13,031,461; for the fiscal year 1923-24 there was received from income tax collections $54,204,027, and on business profits taxes account, $4,752,680; while for the fiscal year 1924-25 there was received from income tax collections $56,550,000 and business profits taxes account, $2,400,000. In other words, three years ago there was collected from these two sources—and it must be borne in mind that it is all derived from income—the sum of $72,743,000, two years ago $58,956,000, and last year, $58,950,000. This all goes to show not only that the hon. gentleman was wrong in his premises, but that he was also wrong in his conclusions; and I desire to reaffirm what I said before dinner, that if the income tax rate is kept at its present standard there will be a diminution of the revenue received from this source, because those who live on income from money invested in securities will be inclined to go where the income taxation is lighter, especially when it is so easy to cross the line and avoid the heavier burden here, which has been done to my own personal knowledge in a number of cases.

In the last two budgets, Mr. Speaker, we have heard a great deal about Canada having balanced her budget. Canada has not yet balanced her budget, notwithstanding the loud professions made by the Acting Minister of Finance and those who sit around him. Last year loud professions were made that this had been done to the extent of a surplus of $35,000,000. Now, surpluses are made up in various ways. Anyone who has a knowledge of accounting, or who has anything to do with large business organizations, knows that surpluses are very largely matters of bookkeeping; and it is because of the method of bookkeeping adopted by the government that they were able to show what I consider was a fictitious surplus of $35,000,000 last year, and of $1,800,000 this year. It will not do to say to the country that "we simply followed the practice of our predecessors in office." The present government may or may not have done that; I do not know. We are led to believe they have done it, by reason of the certificate which has been given to the government balance sheet by the chartered accountants employed by the government for that purpose; that is to say, that the balance sheet was made up in the same manner as it had been made up in previous years. I presume that is a correct statement of what the gentlemen found. But that does not tell the story that the country desires to know at this time. It is desirable, other things being equal, that the budget should be balanced; I think we ought all to strive after that. But the government ought not, in honesty to themselves and in honesty to the country, to say they have balanced the budget as long as they have to pay out such enormous sums every year to the Canadian National Railways,—in cash, very largely, when they have it; otherwise, by way of guaranteed loans. These advances immediately become a non-active asset, a liability, as it were, of one of your own subsidiary companies. Those who have had to do with large corporations which

own subsidiary enterprises will readily understand that no banking house, no bond house, seeking to put forward an issue of bonds in connection with any large commercial project takes into serious account as an asset the liabilities owed by a subsidiary to the parent company. They ignore those; they do not take them into consideration. So it is not fair to the people of this country whether it was the practice of five years ago or of four years ago or of last year alone, to say that we have balanced our budget when as a matter of fact that statement is millions off the mark. This sort of thing may deceive the man who does not know, the man who is not a student of current Canadian politics, but it does not deceive anyone who gives intelligent study to the problem. It may be that having regard to the manner in which the books of the government and of the country are kept, technically the minister is correct when he brought forth an alleged surplus last year and an alleged surplus this year. But practically from the standpoint of debtor and creditor, from the standpoint of the taxpayer, it is not a correct practice and the sooner we get down to actualities the better it will be not only for the people but for the government themselves. Let us face the position frankly.

Adverting again for a moment to the question propounded to me by the hon. member for North Waterloo (Mr. Euler)—what suggestion have I to make in connection with the balancing of the budget—I thought that question a fair one, and it was one to be anticipated. My suggestion to the government is this: Having talked with individual members of the government regarding this very problem I realize that it is much easier to talk about cutting down expenditure than it is actually to do it. I would assume, without having any inside information on the subject, that the government of Canada is in the same position that the government of England found themselves in immediately after the war. As regards the question of curbing public expenditure they found themselves in the hands of a bureaucracy made up of the higher elements in the civil service in that country. Heads of departments, with probably the best intention in the world, will tell you that this and that sort of thing cannot be done. With the desire to magnify the importance of this or that branch or department they will say: "You cannot reduce my staff; you cannot lower the expenditure in this branch—it simply cannot be done." Unless the minister has a great deal of courage and a great deal of industry and perseverence, he will find in many cases, when he attempts to reduce expenditure in this way, that he is simply knocking his head against a stone wall, because of the very bureaucracy that does exist in governmental circles, especially among heads of departments. The country does expect, in good faith, that the cost of running the country so far as controllable expenditure is concerned shall be cut down, and it ought to be the duty of those on the treasury benches to make an honest effort to do it. I think they realize the importance of it just as much as anybody else, and I also imagine that in many instances they find themselves almost impotent. I recommend, therefore, that if ministers find themselves in that position they forthwith appoint a commission such as was appointed in England immediately after the war. I wish we had appointed three years ago in this country a counterpart of the Geddes Commission, which, if all its recommendations had been followed, would have saved the taxpayers of England £100,000,000 a year, and which did save a very substantial sum to the downtrodden taxpayers of England in so far as it was put into effect. And it can be done in Canada. It can be done with regard to the inside civil service.

Now, I am not one of those who want to throw stones at the civil service as such. I want to bear testimonoy to the fact that in my dealings with individual members of the civil service I have found, and expect to find, a very intelligent set of men. One criticism I would make—and it may seem inconsistent with what I have already said—is this, that in the case of skilled men, technical men, the salaries paid are altogether too low and we are losing some of the best men in the public service by reason of that fact. Let me give one single illustration. During the past few years the forests of our province have been ravaged by insects and damage estimated at as high as $40,000,000 has been done. The government appointed an official to examine and investigate the conditions, and he did his work thoroughly and well at the princely salary, I am told, of $2,700 a year. He was a college graduate who had made a specialty of entomology. That gentleman has lately received leave of absence from this government in order that he may proceed to the Fiji islands and there study the insect which is doing great damage to the cocoanut tree; and the colonial government of those islands deem the work so important that they have given him a salary of $7,500 per annum with all his expenses there and back. I do not say that we should pay our civil servants on such a lavish scale as that, but in order to hold men

of his calibre it will be necessary to pay higher salaries to technical and scientific men else we shall lose them to those who will pay larger salaries. But while that is true; while I plead here and now on behalf of the scientific men in the employ of the government, my observation has taught me that governmental departments in the inside service are over-manned. There might be a very considerable reduction as regards numbers, and if it is necessary I suggest that higher salaries be paid to induce those to stay who are really rendering useful service. In fact, the government might begin this practice themselves. We have, I believe, as large, if not the largest, personnel in the government of the day that the country has ever had, aside possibly from war time; I do not speak with any degree of authority because I have not looked up the data. I should like to know why it is not possible to abolish the portfolio of Labour in this country, especially having regard to the fact that the Privy Council has declared the Lemieux Act ultra vires, and that the raison d'etre for its establishment has now come to an end. It is true there are certain branches of government which are operated under the Department of Labour which it is necessary to carry on, but there is no reason in the world why these should not be transferred to other departments. The same is true of the Department of Soldiers' Civil Re-establishment. It was never considered when that department was established that it would become a permanent portfolio, but history shows that once a department is established, it is never abolished. We had some very illuminating figures with regard to this department the other night.

Mr. POWER: Might I interrupt the hon. gentleman to ask if he is not a little bit inconsistent? He promoted no less than two members of the House to cabinet positions this afternoon.

Mr. HANSON: I thought I had promoted only one, and I did that more or less in the way of good-natured banter. After the speech we have listened to from the hon. member this afternoon, I must say that my remarks are to be treated strictly as a joke.

We had some very illuminating figures a few nights ago with respect to the cost of operation of the Department of Soldiers' Civil Re-establishment. It was shown that 71 per cent of the entire amount voted by this parliament is used up in the administrative expenses of that department, and the balance ultimately reaches the soldier, the one who is intended to be benefited. That is a state of affairs that is little less than scandalous. It is a state of affairs which will not appeal to the soldier vote of this country.

I would also abolish the portfolio, or semi-portfolio, of Solicitor General. Can anybody tell me any useful purpose that the Solicitor General of this country performs? If so, I would like to hear it. It is not obvious to the ordinary member of parliament or to the general taxpayer of this country.

Mr. ARCHAMBAULT: It is not a new position.

Mr. HANSON: No, it is not a new position, and I am not blaming any particular government for it. It has been used as a matter of patronage among all governments, so far as I understand, since its establishment.

Mr. ARCHAMBAULT: If my memory serves me right, the leader of the opposition (Mr. Meighen) has occupied that position.

Mr. HANSON: And I have no doubt he did it well, as he does everything else well. While he was there I have no doubt that he was a very useful official because he is that type of man who could never lie idle and draw his salary without earning it.

Then I would, and perhaps first of all, abolish the portfolio of Secretary of State, not because that portfolio is held by the hon. member for Westmorland (Mr. Copp) at all, for he and I are personally the very best of friends, but I believe that the position is neither useful nor ornamental. I think the government could very well be cut down to the extent of these four portfolios.

But I would not stop there. I think the number of members in this House should be cut down. The time will come when, if this country grows as it ought to grow, and if we preserve the same ratio as laid down in the British North America Act, we shall have 500 members in this House. We have always been over-governed in Canada, and the cost of government federal, provincial and municipal, is per capita away beyond what it is in any other Anglo-Saxon country that I know of and away beyond the means of this country. I know it is easy enough to say that. Members have to run elections, and they have to go to great expense to run elections. It costs a considerable amount of money to live in Ottawa. A paternal government takes in income tax about 10 per cent of the $4,000 indemnity members receive, and after the four or five months' time the members put in in this House they will have a residuum if they live as they ought to live in Ottawa, of about $1,600. Nevertheless, I for one am willing to

slice off $1,000 of the indemnity if we could have any guarantee that the length of the sessions would be cut down.

Mr. MICHAUD: And you would never come back.

Mr. HANSON: I do not expect the hon. gentleman to vote for cutting down the indemnity, because he has no other visible means of support, so far as I know.

Then in addition, under the present conditions that obtain in this country, there should be a stop once for all to the practice of the guaranteeing of bonds for purposes which are not strictly of federal concern. I do not intend to go into details in regard to this, but I would just like to say this, at the risk of being misunderstood, misinterpreted and misquoted: I do not see what federal responsibility this country had for the guaranteeing of bonds for a new bridge across the St. Lawrence at Montreal.

Mr. ARCHAMBAULT: Go the limit.

Mr. HANSON: It is an accomplished fact now, and it not much use to talk about it, for the country is committed to the expenditure. I do not for one moment say that that bridge is not necessary: I do not know enough about the local situation to know whether it is or not, but I did try in vain for twenty minutes last year to extract from the Minister of Railways some logical reason why this expenditure should be one of federal concern, and I failed to get it. Now it is not because it is Montreal that I am saying this. I would make the same remark if it was about Tory Toronto; I will make the same remark about the erection of grain elevators at Prince Rupert and Halifax.

Mr. ARCHAMBAULT: Is the hon. member aware that the province of Quebec and the city of Montreal are each guaranteeing one-third of the bonds?

Mr. HANSON: I do not see any reason myself why they should not do it all, and that suggestion was made last year by the leader of the opposition.

Mr. ARCHAMBAULT: It was in the bill.

Mr. HANSON: My memory does not serve me as to what was in the bill, but I never could see why that was a matter of federal responsibility. I do not wish to be understood as saying that the work was not an important work or a work that was not required, though I have some doubts about it. I think it will be a detriment to property of the government already existing, but it may be that with the increase of traffic, especially tourist traffic, as has been stated on the floor of this House, that a new bridge is necessary; but if so, I do submit that that is in no sense a federal responsibility, and that is the point I am making.

Mr. ARCHAMBAULT: Is the hon. member opposed to the federal government giving any aid towards the construction of that bridge?

Mr. HANSON: For the benefit of the hon. gentleman I will say this: We are committed to the principle now, and it is not much use to kick against the pricks.

Mr. ARCHAMBAULT: That does not answer my question.

Mr. HANSON: That is the answer I give to the hon. gentleman. I know the hon. gentleman wants to go down to Montreal next week or at the next election and say that the Tory party was against the bridge across the St. Lawrence. That is exactly what he desires, but he is not going to get me into that trap.

Some twenty-five years ago I went to school in the city of Halifax and they had a grain elevator there then, but I never heard of a tramp steamer or even a liner taking a cargo of grain out of that elevator, although it may be so. At the same time the people of Halifax have an aspiration for that port to be a grain shipping port. It may achieve that aspiration and if it does that elevator will be of some use. But I must say, and I speak for myself alone, that I have very grave doubts about it just as I have in the case of Prince Rupert. But a grain elevator at Vancouver, or at Montreal, or at St. John is a very different proposition. We all know that grain is one of the most liquid of commodities, and a difference of one-sixteenth of a cent a bushel in the carrying charges will lead grain to the nearest ocean port. That is the difficulty we are faced with in the Maritime provinces in our endeavour to build up national winter ports, but this is a difficulty which I feel sure will be overcome if we are able to enlist the sympathy and support not only of the railway, the common carriers of the country, but of the grain shippers as well.

There is another matter I should like to advert to in connection with this question of a balanced budget and a reduction of expenditure, and it is this: I should like to know how many motor vehicles there are in this city belonging to the government, that are used by heads of departments and other officers of the public service? It seems to

me that you cannot cross one of the public streets of this city without stumbling in front of a car that is owned by the Canadian government. This thing may have been justified in war-time—

Mr. FOURNIER: Are you afraid of them?

Mr. HANSON: I try to get out of their way.

Mr. ARCHAMBAULT: You can side-step pretty good.

Mr. HANSON: I want to say that the people of the country are beginning to learn about this extravagant practice of members of the government, heads of departments, and chief officers of the public service having cars bought and placed at their disposal. No commercial house in Canada would think of going to the extent that the government has gone in this matter. I know how easy it is for a practice like this to grow up. One cabinet minister has as much right to a private motor car as another; one deputy minister has as much right to a private motor car as another. You have only to go into the civic arena to understand how this practice grows overnight. Anybody who has had any municipal experience knows that permanent heads of departments, the moment they get into office, will begin to slip on to the corporation the cost of services that should be borne out of their private income. Why, only last week in the city council in this city the statement was made that Ottawa was paying $6,000 a year to the Bell Telephone Company of Canada for private telephones for civic employees. Some of these no doubt are justified but I venture to say, without having any personal knowledge of the circumstances, that the great majority of them are unjustified. I know that in my own city the same practice has grown up. So much for that. You cannot balance your budget in this country by a process of increased taxation. It must be done by a process of saving not at the bunghole but at the tap.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. HANSON: I do not know what the hilarity is about nor do I care.

I desire now to say a word or two briefly with respect to the creation of the tariff board. I do not understand that any result of magnitude will come from the creation of this board. At the same time if it is to be used in an advisory capacity, if the board is not to become a bureaucracy and take the place of the elected representative of the people upon whom the responsibility properly devolves I have not great opposition to it. It is true that in 1912 the government of Sir Robert Borden proposed to establish just such a board as, I understand, is now proposed by the Acting Minister of Finance. It is also true that the Acting Minister of Finance, and those who surround him and now have seats in this chamber, voted against the creation of that board and against the principle involved. That is perfectly characteristic of the Liberal party as all history shows. But from the standpoint of the present government the creation of this tariff board will serve two purposes which are highly desirable from the government's point of view. First, it will delegate responsibility to other than the elected representatives of the people, and it will be an excuse for continued refusal on the part of the government to face squarely the most momentous issue of the day—what is to be the fiscal policy of this country. In other words it will give the government further opportunity to say to the electors "We have created a tariff board which will advise us as to what we should do with respect to the fiscal policy." On the other hand it will be a delegation of authority and a lapse from the principle of responsible government, which procedure the government has invariably followed since it came into power. To go back to the period of 1922 when the freight rates question became acute in Canada. Had we had responsible government, as understood under British institutions, in this country the government of the day would have had a policy on the question. But what did it do? It delegated to a committee of this House the powers that the government itself should have assumed, and it is doing the same thing with respect to the ocean-lake freight rates question. This brings me to a very brief consideration.

Mr. ARCHAMBAULT: What is the ocean-lake freights question?

Mr. HANSON: The ocean freight rates question? You will hear something more about it a little later on.

Mr. ARCHAMBAULT: My hon. friend said "ocean-lake freights question"; that is why I did not catch his remark.

Mr. HANSON: The government took up the lake freight rates question and what was the result? It had to take into its own arms again and suppress its own baby. The history of the last two years will tell us that. The same thing has happened to the Petersen contract: It has been put into the discard, and the gov-

ernment's responsibilities have been delegated to a committee presided over by the genial member for Brome (Mr. McMaster) to devise ways and means for a policy that the government itself should devise.

This brings me—and I shall be very brief—to a consideration of what should be the future fiscal policy of this country; and I want to lay it down as axiomatic having regard to our geographical position—lying as we do to the north for three thousand miles of the most highly protected country in the world; having regard to the fact that all Anglo-Saxon nations in the world—save and except the Mother Country itself if she can be called an exception—have adopted and are maintaining in its integrity the fiscal policy of protection—not that possibly it is the best fiscal policy in the world, not because some of us regard free trade, in the classic language of the hon member for Chambly-Vercheres as a pious dream—we are forced by necessity, we are forced by the very force of circumstances themselves to adopt a protective policy. What are those circumstances in brief? Over there across the line you have the most highly industrialized nation on earth; over there across the line you have labour organized in its highest form; over there as a result you have the highest wages, the highest current wages, paid. I grant that under a system of protection you have high wages.

Mr. McMASTER: Oh, no.

Mr. HANSON: Well, I never heard of low wages in a protected country unless the currency of that country had depreciated or the land had been devastated by war. At all events in the United States the results have been as I have described. The United States maintains a system of high protection, a system of standard unionized wages, and Canada by sheer force of necessity, by sheer force of circumstances, is obliged to meet her with the same weapon. It will not do, to pull down your tariff walls so long as you are confronted with that condition. What would happen? Let me illustrate. Down in the Maritime provinces and in that portion of the province of Quebec which lies contiguous to the American border we are side by side with the states of Maine, New Hampshire and Vermont. For the most part these states are not manufacturing and are not industrial. They are engaged in agriculture, lumbering and the like. New England is highly industrialized. The states of Maine, New Hampshire and Vermont have been the hinterland always, since I can remember and for years before, for the industrial centres of New England. If you pull down the tariff wall and allow the free entry of American goods into Canada and allow our raw material to go out, the Maritime provinces and that part of Quebec which lies contiguous to the American states will simply become the hinterland of industrial New England. We have had gestures made and the people of this country are uncertain as to the future. The boot and shoe manufacturers are very uncertain. The textile manufacturers, especially those in the cotton industry, are very uncertain of the future. Permit me to say that the boot and shoe industry of this country is no combine. There is the keenest kind of competition in the boot and shoe manufacturing industry, and very largely and from the very beginning it has been a case of the survival of the fittest. But if the duty is taken off boots and shoes, as may reasonably be contemplated if the government give way to the arguments of some hon. gentlemen on my left, and if the duty is taken off cotton and cotton textiles, what will happen to the four cotton mills now running in the province of New Brunswick? I will tell you. Just so long as they can stagger under the swamping of the local market by the American manufacturers, they will stagger. When they are wiped out the American manufacturer will have the market to himself, up will go the prices, we will pay the piper, and we will have to pay higher prices for textiles than previously.

Mr. ARCHAMBAULT: I should like to know if the hon. gentleman is aware that during the year 1918 or 1919 some of the textile companies in this country made as high as 330 per cent on the capital invested? That fact was brought out before the High Cost of Living committee.

Mr. HANSON: The hon. member is referring to war times. I am speaking of normal times. You will never see a condition like that again.

Mr. MEIGHEN: Textiles are lower here than in the United States.

Mr. HANSON: I know that in the New England states they manufacture a million yards of textiles to every yard we manufacture in Canada. Their overhead is so much less, and their raw material so much nearer that we can not successfully compete. My hon. friends to my left and all free traders in the House will say "Then you should not be allowed to compete". I am not in favour of that line of reasoning. I believe that we should endeavour to build up an industrial

life in this country, even though it may not be, to use a well-worn phrase in this House, indigenous to the country itself. I see no reason why boots and shoes for Canadians should not be made in my city and in the cities of Montreal and Quebec. I see no reason why we should not manufacture the cotton textiles that we use in this country, and give employment to Canadian workmen who will be able to maintain happy homes. But let the reverse take place and what will happen? You will immediately see the emigration of our skilled mechanics across the line. They will not go back to the farms, even if they came from them, and we will be hewers of wood and drawers of water.

Mr. ARCHAMBAULT: Will not my hon. friend admit that at present the cotton industry is bad in the United States, bad in England and bad all over the world?

Mr. HANSON: My hon. friend may be an authority on the cotton industry. I am not. All I know is that in my community the cotton industry is working from hand to mouth, and the men have been employed three and four days a week since this government came into power. I think the tariff on cotton should be raised a little so as to keep out the surplus of cotton goods manufactured outside of the country, and have the goods manufactured at home. You cannot build up a diversified nation if you are all going to be miners, farmers or fishermen. You will never have a home market that is worth a bawbee for the farmers if you do not have some industrial life in the country, and, as far as industries that are native to the country are concerned, I say that unless we take some steps to preserve our own raw material we will not have it very much longer. If the newsprint mills, the pulp mills and paper mills continue to grow as they have grown in this country, and if the ravages of the forests by insect pests and fire continue as in the past, then that great industry in Canada will indeed be a short-lived one, and we had better look out for the future. This country does not need a high tariff. I am not in favour of a tariff which would absolutely keep out all sorts of imports, but I am in favour of such an adequate tariff as would allow our manufacturers to compete in our home market. That is what we want; if we are able to do a little more and take in some export trade, so much the better, and I think we should attempt to do it. However, it is not possible in certain lines. As far as my constituency is concerned, it has never yet—and it is half agricultural—voted in favour of low tariff, and I do not think it is going to begin now.

Mr. MARTELL: Was there not a Mr Gibson elected in that riding in the days of the Laurier regime?

Mr. HANSON: Yes, Mr. Gibson was elected. He was a very estimable gentleman, but it was only a fluke and the people corrected the error at the very first opportunity. I want to tell the hon. gentleman that it was that gentleman's father who started the cotton industry in that constituency, and he did it under a protective tariff. They always were protected, but they had a railway to sell to the government in 1900 and they sold it to the government in 1904, and it is to-day part of the system of the Canadian National Railways. In 1896 the same gentleman was a Conservative. His father brought Sir George Foster to York as a Conservative candidate.

Mr. MARTELL: Was the man who defeated Sir George Foster—

Mr. HANSON: No, Sir George Foster never was defeated in York, and you could not defeat him in a thousand years.

Mr. MARTELL: He ran away from York.

Mr. HANSON: No, he did not run away.

Mr. MARTELL: He went to St. John.

Mr. HANSON: He went to St. John because of ill-advice from his friends to defeat Mr. Blair and could not do it. If he had remained in York, he would have been elected by two thousand majority as any Conservative would be in that riding. Having regard to the budgets we have listened to for the last four years, I ask what is the policy of the government with regard to this fiscal question? I can only say that, so far as the protective system is concerned, it seems to be a policy at times of attrition. They have never yet given to the working people or even the farmers of this country a definite lead as to the goal towards which they are aiming. I leave it to the judgment of hon. members to my left. The attitude of the government towards the fiscal question is exactly the same as the attitude of Sir Wilfrid Laurier during all the years he was in power. When in opposition he preached free trade and low tariff, and when in power, he had the good sense for the most part to leave the tariff alone. He did what was right from the standpoint of the Canadian people, but in my judgment it was not decent politics.

Mr. POWER: Did I understand my hon. friend to say that the policy followed by the present government was the policy of Sir Wilfrid Laurier, as he said, to preach free trade when in opposition and when in power to leave the tariff alone?

Mr. HANSON: I did not say that. I said that the policy of the present government with respect to the tariff seemed to me to be a policy of attrition. The hon. gentleman is a soldier and he knows what I mean by that term.

Mr. POWER: I do, but the hon. member said that the policy of the present government was like that of Sir Wilfrid Laurier.

Mr. HANSON: No, my hon. friend misunderstood me. It is amusing for people to listen to some of the things we heard this afternoon from the hon. member from Chambly and Vercheres (Mr. Archambault) as to the prosperity of Canada. Everybody knows that we have gone through the greatest period of depression the country has ever seen and we are still in the throes of it. In my community, in my province, prior to last year, we thought we had got by without any great degree of distress; but during the year 1924 we had the most disastrous period in our whole history and this has been because of the uncertainty as to the future fiscal policy of this country. Without labouring this question any more, let me say that, notwithstanding what was said to the contrary by the hon. member for Colchester (Mr. Putnam) the other evening, on every great occasion when the fiscal question was laid squarely before the Canadian people in 1878, in 1891, and again in 1911, without being clouded by any other side issue, the Canadian people never once failed to register their views on this most important subject, and I do not believe they will fail the next time if this issue goes to them in an unclouded manner and they understand what the issue is. I have, however, no faith that the government will face the issue fairly and squarely. We shall have a repetition of the Prime Minister's tour of September and October, 1921, in which, when he went into an agricultural community, he preached the Liberal doctrine and platform of 1919, and when he went into an industrial community, he and his friends told the manufacturers, as my opponent told the manufacturers in my community just prior to the last election: You need not have—

Mr. MURDOCK: The Prime Minister and two or three other hon. gentlemen on this side of the House have challenged you and some of your Tory friends to present any instance of that preaching.

[Mr. Hanson.]

Mr. SPEAKER: If an interruption is allowed and if any hon. member is putting a question to the hon. member who has the floor, he must address him in the third person through the Chair.

Mr. MURDOCK: I would like to ask if the hon. gentleman, now having made that statement, can produce one concrete instance where the Prime Minister preached one doctrine in a rural constituency and another in any other place.

Mr. HANSON: So far as my recollection goes—and I have not the data here, of course, as the minister knew when he asked the question—in every single speech the Prime Minister made during that campaign he preached a doctrine intended to suit the local conditions and not otherwise.

Mr. MURDOCK: The hon. gentleman's recollection has been found very faulty in other matters.

Mr. HANSON: Maybe that is true, but that is my recollection of that, and I know in St. John and other industrial centres in the Maritime provinces—

Mr. MURDOCK: Just a part of the bluff of the Tory party.

Mr. HANSON: —and in other parts of Canada the Prime Minister and his friends let it be known to the manufacturers that they need not have very much to fear from his fiscal policy. Let the issue be put fairly and squarely before the Canadian people, unclouded by other issues, and I have no doubt what the verdict will be.

Mr. GRAHAM: Do not wave the flag, for example.

Mr. MURDOCK: Cut out your four-flushing and we will take a chance.

Mr. HANSON: The hon. member is very brave with the large group behind him.

Mr. MURDOCK: Now, as always.

Mr. HANSON: I am glad to hear this from the minister's own lips. We would not have known it if he had not told us himself.

With respect to the duty on coal, members from the Maritime provinces know that this is but a feeble step in the right direction. It is not by any means what is necessary to put the coal industry of the Maritime provinces on its feet, nor to enable the coal producers of the Maritime provinces to regain the markets lost to them during the war. But

such a step as it is, it is welcome. There is something more that the government could do with regard to this matter. I do not think the question is wholly one of the tariff and I am not speaking now in any partisan sense. The question of the tariff is important. That, no doubt, has been borne in on the minds of the government by the Nova Scotia delegation, or the government would not have acted. In fact, it took a coal strike and starvation in Nova Scotia to make this government act before any measure of relief was granted to the coal producers there. But the real relief for the mining industries in the Maritime provinces is a substantial increase in the duty on bituminous coal plus a very substantial reduction in railway freight rates.

9 p.m.

Mr. ARCHAMBAULT: Is that coal used for domestic purposes?

Mr. HANSON: That coal is heating the hon. gentleman just now. At least, it was used until recently, and I presume it is still used for the purpose of heating this very building.

Mr. ARCHAMBAULT: Increase the duty and increase the price.

Mr. HANSON: I suggest to the government that they use every influence they possess with the railway companies in this country to have them decrease the freight rates on coal from the Maritime provinces to the central provinces.

Mr. CARROLL: Does the hon. member not know that the very fact that this building is being heated by coal from the Minto mines is due to the fact that the Canadian Pacific gave a special rate on that coal from New Brunswick to Ottawa?

Mr. HANSON: I believe the hon. gentleman is correct. All of this goes to show that if proper representations are made to the railway companies, the freight rate on coal can be materially reduced.

Mr. MARTELL: Who are the proper parties to make the representations? I am not criticizing my hon. friend. I am from the Maritime provinces the same as he is. Why did his own party, during the years they were in power, not bring about the millennium which he is now advocating? Is it not a fact that he is advocating this to-day for the purpose of hitting one of the ablest men in the Maritime provinces, Mr. Armstrong, who has to go to the country during the present year?

Mr. HANSON: It will not be necessary for me to hit Mr. Armstrong. The people of Nova Scotia are going to do that.

Mr. MARTELL: May I say to my hon. friend—?

Mr. SPEAKER: I would ask hon. members to observe the amenities of debate. The hon. member is very courteous and fair, and I do not think it is right that he should be interrupted so often.

Mr. MARTELL: I beg your pardon, Mr Speaker, I should have addressed the hon member through yourself. I do not think he imagines I am in any way directing carping criticism at him. We are good personal friends, and all I was going to say to him—

Mr. SPEAKER: Order.

Mr. HANSON: Mr. Speaker, I have no objection to the hon. member for Hants asking a question, but I should like him to put one question at a time, not half a dozen at once. With respect to the duty on coal, I had not the Nova Scotia situation in my mind when I was speaking of it; I was making a constructive suggestion in the interests of the coal producers of the Maritime provinces.

At first blush it seemed to me that the minister's proposed export tax on power was a new avenue for revenue that the country might very well adopt, and I was rather favourably disposed towards it. If we were sending power out of the country for the first time, if power companies in New Brunswick, Quebec and Ontario were not tied up by long term contracts; in other words, if it could be assured that the levy would be passed along to the consumer in the United States, by whom it should properly be borne, then I say it would be a very good source of revenue. If it could be considered from that standpoint alone, then I would tell the minister that his tax is not high enough, and that he could very easily make it considerably higher. Perhaps I ought not to speak dogmatically about this, not having full information before me. But let me tell the minister that nearly all of these hydro electric developments which have been initiated by private capital had to tie up to long term cheap contracts with consumers in the United States along the border. I have in mind the New Brunswick Power Company, which develops hydro electric power just within the border between New Brunswick and Maine. This company was organized and its bonds were sold to the public both in New Brunswick

and in Maine. Before it could get a dollar from the investing public it had to show that it had made contracts lasting the lifetime of the bonds and producing sufficient revenue not only to pay carrying charges but also operating expenses. Is it quite fair to companies so situated—and I have no interest in this particular company—to have their export power taxed?

Mr. ROBB: Mr. Speaker, if my hon. friend will allow me before he proceeds with his argument? I suppose he knows that under the export act we have no right to give a license for more than one year?

Mr. HANSON: I am well aware that the licenses are granted only from year to year, but I would ask the minister by way of information: Has any company which before the passage of that act exported power ever been refused a license since? The answer is obvious: it never has been, and never will be refused. The fact is that once that power has gone out of the country you cannot discontinue its export; the cry of vested rights would be raised, and no one knows it better than the hon. minister himself. It would not be quite fair either to any industry built up and developed as the result of getting that power. Therefore I say to him, this tax, which at first blush I must confess appealed to me, does not in the circumstances bear scrutiny, and especially in Ontario, where there is government ownership of hydro electric power, and in New Brunswick, where it appears we are about to have such government ownership. Any export tax imposed on those companies must ultimately be borne by the domestic consumer, and it is one more millstone around his neck. I sincerely hope that the minister will consider this problem from every angle. If he finds that the imposition of an export tax would be in the best interests of the country, and could be collected from the foreign consumer, then God speed him; but if he finds that such a tax would come out of the pockets of the domestic consumer by way of increased rates, then I tell the minister Canadians will execrate his proposal. It all depends on where the incidence of the tax will fall.

Now, no home-loving, patriotic Canadian is fond of dwelling upon the exodus of our people across the border. I say very frankly that whenever I hear that a good citizen of my county is leaving for the States it makes my heart sick and I do everything I can to dissuade him. I do not want to make political capital out of this deplorable loss, but we might as well face the situation fearlessly. We may differ as to the causes, we may differ as to the effects, but I do not think there will be any point of dispute between us as to the undesirability of this state of affairs. That it has been going on continually during the last two or three years is undeniable, and to such an extent as to give grave concern to any public-spirited man in the Dominion. When I was home during the Easter vacation I took the trouble to obtain from the American Vice Consul in my city a statement of the number of people who had left Fredericton and vicinity since the United States new immigration law went into effect, and these are the figures since July 1, 1924:

In the month of July	63 visés
In the month of August	76 visés
In the month of September..	171 visés
In the month of October..	121 visés
In the month of November	94 visés
In the month of December..	73 visés
Totol	598 visés

Mr. ARCHAMBAULT: Is that since my hon friend was elected?

Mr. HANSON: Oh, yes, during the past year since the fiscal policy of the government has begun to produce its baneful effects.

In the month of January, 1925..	48 visés
In the month of February, 1925..	61 visés
In the month of March, 1925..	138 visés
Total	247 visés

That gives a total of 845 for that comparatively small community for the period from July 1924 to March 1925—nine months. This is sufficient to give pause to any man who has the interest of his country at heart. On Thursday, April 9, the American Vice Consul told me that he had for that day alone applications for 15 visés. I want members of the government to understand that in that part of New Brunswick the trek to the United States is on in full force. We need not discuss the situation. We must admit that we are losing some of our best young blood, for it is the young men who are going across the line. I wish I could see some evidence of their return, but we do not see it in our province. Now, it is up to the government to do something,—whether it be free trade, low tariff, adequate tariff or high protection, it is up to the government as the guardians of this country to put into effect such constructive legislation as will tend to stop this drain on the very vital resources of the Dominion.

I had intended to say something about the national debt, but a great deal has already been said on the subject and I am not going to weary the House with any further references to it.

I have already referred to the question of surplus. I would like to say in conclusion that the budget contains none of those things for which Canada has ample reason to look —although I must say no one expected very much from the present government. The agricultural population has not received any lead from the government in this budget. The industrial population has not received any lead or any hope for the future. The manufacturers of this country must still face an influx of products from countries which have the advantage of cheap labour, depreciated currency, or greater mass production. No hope from this government—then let us have an end, Mr. Speaker, of vacillation and of trimming to suit every wind that blows. Let us in the parlance of the street, have a showdown. Let the issue be clearcut. Let no cross currents of sectionalism or racialism, such as were prominent this afternoon, be injected into the struggle, but let us nail our colours to the masthead and signal for close action. Then when the smoke and mists have been dispelled it will be found that this young nation will have taken a fresh start on the highway to prosperity, a start already too long delayed.

Mr. J. W. KING (North Huron): Mr. Speaker, probably it is a fortunate circumstance that the Progressive party have their turn to speak once in a while. I desire, Sir, at the outset to compliment the Acting Minister of Finance (Mr. Robb) on the very compact, concise and lucid manner in which he presented this budget—not that I agree with him in all respects, but this is simply a friendly word of commendation. It is most regrettable that the Minister of Finance (Mr. Fielding) has been unable to be with us during the present session. The people of Canada owe him a deep debt of gratitude for his unswerving loyalty to the country and of appreciation for the ability which has characterized his service.

Before entering upon a discussion of the budget itself I wish to try to show to the House that although it has been said on many occasions that the United States is the most highly protected country in the world, if we examine the facts we will find that it is not such a highly protected country after all. Such assertions, Mr. Speaker, as this—that the United States is the most highly protected country—entirely disregard the facts and anyone who makes them must be unwilling to limit himself to what he believes to be the truth. If those who put forth these claims ever looked to the facts they would be ashamed to advance such fallacious contentions. The United States collected, in round figures, $566,136,864 during the year 1923 through customs taxes, as against 118 millions in Canada for the same year. It is obvious that the division of this total amongst the population of 110 millions to the south of us produces an average of $5.04 per capita, whilst the Canadian average on a population of 9 millions is about $14.55 per head, a difference of $9.51 per head against Canada. At the Canadian rate the customs revenue of the United States would amount to $1,457,000,000, while the Canadians customs revenue on the American rate would only be $32,000,000. Our customs tariff imposes a burden four times greater than the American tariff, yet it is claimed that our neighbours are more highly protected.

For my part I would be satisfied for the time being if the government consented to remove that part of the customs burden which is in excess of that of the United States. That would still leave us, as my hon. friends to the right are prone to claim we should be, a highly protected country.

Mr. MEIGHEN: Will the hon. gentleman permit a question? Does he regard Great Britain as a free trade country?

Mr. KING (Huron): I do, comparatively.

Mr. MEIGHEN: Can he give us the per capita customs tax in Great Britain?

Mr. KING (Huron): No, I do not think I can at the moment.

Mr. MEIGHEN: I will tell him it would be about four times ours. Would that not rather destroy his argument?

Mr. KING (Huron): I do not think it would. I have the highest appreciation of my right hon. friend's clear intellect and keen debating power; at the same time, I do not see how he can get away from my argument. What does this additional burden mean to the head of a family of five? In the United States he pays $20.20 to the customs gate; in Canada he pays $77.75, a difference of about $50. Low tariff is the essential requirement for the progress of our nation. No purely protective tariff or preference can result in anything but the imposition of unnecessary burdens on the people. Tariffs are a hindrance to natural trade, a hindrance to natural development. They achieve everything, Sir, except the results they are intended to produce. How are we to estimate the burden carried by a nation if we do not estimate the amount of the burden carried by each individual? If the amount carried by each individual is greater in Canada than it is in

the United States, where will the young men of Canada be apt to go? To the United States, of course—we understand that perfectly well. I was talking only last evening to a man in this city who is in the bond business. He said: "I find I can do far better in the United States than I can in Canada. If I stay in Canada, my sons and my grandsons and my great grandsons will be loaded down with heavy taxation; the burden will never go off their shoulders. But in the United States such is not the case." Can we not remedy the conditions in Canada? I say to this government and to all future governments: Try to reduce the load of taxation; try to economize in every possible way and before many years we may be put on an even basis with the United States.

I claim that regardless of the fallacious contentions that have been made, a low tariff policy would not throw us politically into the arms of the United States. Notwithstanding the attempted arguments to show that protection was and is the safeguard of our national independence, I say, Sir, that if any policy will tend to loosen the bonds of our national unity it is the policy of protection such as we have at present—a policy that creates discontent, a policy that prevents the Canadian citizen from enjoying the decent living conditions to which he is entitled. Who can deny, however, that on the other hand a policy of low tariff which will result in contentment, which will permit sane and rapid developments, a policy which will enable progress along the channels given to us by our natural conditions, will in itself bring about a more strongly welded union; will form a democracy that no storm can shatter; will build up a country which we will be proud to live in and make us zealous of our institutions and our independence.

What Canada needs to-day is reciprocity with the United States. As I have just said, political unrest results from economic discontent, and if this were removed the talk of secession and annexation would then fall on deaf ears. The sentiments which hold Canada to the British Empire would be proof against every attack if our economic conditions were rectified.

I propose to try to show in my humble way that if this government and future governments will do their best not to enter into a commercial or tariff war with the United States, we are on the eve of better trade relations with that country. We have the word of President Coolidge himself that the United States is just on the eve of being a great importing nation of agricultural products. We also have the word of a great many financial experts in the United States.

On account of the large credits, loans and investments made abroad by the United States, it becomes certain that the nations to whom these loans were made will have to pay for them by exports to the United States. One plan calls for a progressive "liberalization" of the tariff policy of the United States not necessarily immediately, but very soon as a necessary adjustment to permit that country to make the larger importations of foreign goods required by her new position as a creditor nation.

I am going to quote the views of certain financial gentlemen in the United States. First is a statement by Francis H. Sisson, vice-president of the Guaranty Trust Company, to the effect that the tariff had been a "foreign element" in the natural working of economic laws, and part of the normal adjustment would be a lowering of it.

George E. Roberts, vice-president of the National City Bank, and formerly United States Comptroller of the Currency, speaking on this point, said:

> A difficulty as regards the receipt of interest payments may in the future arise unless our high tariff is changed. I do not think that this will make any great difference in the next two or three years or so, but the tariff is essentially an anomaly in our foreign trade, and our business men will have to adjust themselves to the necessity of competing more with foreign products and get into lines in which they can do so most advantageously. But these changes, I believe, will come about naturally through the pressure of circumstances.

Prof. Eugene E. Agger, of Columbia University, said:

> A liberalization of the tariff is certain to come about as a result of the increase of foreign investments The change might come through the rise of foreign tariffs until they more or less neutralize ours, but I think it is more likely to come through a change of feeling here.
>
> The situation is, of course, that the consumers of goods are not organized and so cannot readily make themselves felt when the tariff provisions are being made; but I think that the producers themselves, who can make themselves felt readily, will more and more seek to lower the rate on manufactured goods so that foreign countries can pay for them by selling their products here.
>
> The farmers and the cotton producers and some other interests are already beginning to seek a reduction in the tariff, because they are discovering that their most logical line of attack, to return to their former relation to the manufacturers, is not to support a measure like the McNary-Haugen bill to raise their prices, but rather to bring down the prices of manufactured goods.
>
> The tariff, of course, has got into general talk to such an extent that it is being credited for more than it is worth. There are so many other factors in manufacturing that, in many cases, there is not much more justification for a high tariff on goods coming into this country than there is for a similar tariff between various parts of the country. And the change in our position from debtor nation to creditor, will help to

make this fact appreciated, and will bring a demand for more moderate rates.

Dr. Benjamin M. Anderson, Jr., of the Chase National Bank, provided some of the Chase economic bulletins, in which he has expressed his views. In one of these he pointed out the changed economic conditions which make a moderate tariff policy vitally important to-day, and explained that:

> Exports must be paid for by imports, and that a country which wishes to sell abroad must also be willing to buy in foreign countries if foreign trade is not to result in credit congestion and reaction.
>
> The change will make for a permanently balanced industrial situation, far more satisfactory and far more dependable than the temporary unstable equilibria on which we have built temporary periods of activity since the Armistice. We need not fear Europe's revival or seek to defer it by placing tariff walls in the way.
>
> The position of the farmer has been injured rather than helped by the general tariff policy. It has not enabled him, for the most part, to get more for what he had to sell. On the contrary, by lessening Europe's purchasing power in the American markets, it has lessened the ability of his foreign customer to buy. and thus made his prices lower than they would have been.

The whole trouble to-day, Mr. Speaker, is the lack of purchasing power in the agricultural districts of this country, and no one knows that better than the Massey-Harris Company of Toronto, and Mr. Bradshaw; no one knows it better than the heads of the manufacturing concerns. I know conditions among the farmers. I know that the farmers are economizing in every way possible. I know they are making binders, ploughs and mowers that should have been in the fence corner long ago, do the work to-day. They are using all their implements in that fashion, fixing them up, because they have not the purchasing power; they simply cannot buy. I am not a pessimist, and the farmers of the county of Huron whom I have the honour to represent are not pessimists. They are not decrying Canada, but they are looking for better times to come, and they are looking for these better times to come by a reduction of the tariff along certain lines. I wish to point out to the Acting Minister of Finance that they are looking for a reduction of the tariff on automobiles, textiles, woollens, boots and shoes. They are not looking for reductions on very many lines; I myself do not believe in a complete upturn of the tariff almost every year. We should have a revision of the tariff at certain periods, every five or six or seven or ten years. as the case may be, for our manufacturers must have a chance. They must know that the tariff is not going to be interfered with for a certain number of years. I think probably that state of affairs can be brought about, but at the present time the tariff is not down to where it ought to be.

Just recently an Alberta farmer sent to the Citizen a copy of a statement of a sale of stock, showing that he had received $54.44 for seven head of cattle—which is less than $8 per head. The stock ranged in weight from 580 pounds to 1,240 pounds, and they were high grade cattle, not scrub stuff. On the back of the statement the farmer wrote, "Why settlers leave the farm after being on same for twenty years."

The prosperity of Canadian industry is very largely dependent upon the purchasing power of the farmers. They must either earn sufficient money to buy goods at the present level of Canadian prices, or the level of prices must be reduced to come within the range of the farmer's income under deflation.

The tariff is maintained to prevent the farmer buying at reduced prices, but the tariff is no protection against the reduction of wheat and cattle prices. It is doubtful whether tariff reductions would restore the purchasing power of the Canadian farmers without depriving an equal number of workers in the protected industries of purchasing power. I wish to read, with the permission of the House a short article from the Listening Post:

> So the farmers of Canada, and the townspeople who are dependent on them for their livelihood, see the prices of the varied goods which modern industrial economy compels them to buy enhanced by tariff duties. They see indications that the profits of those who own the factories are also enhanced. They see the products of these factories sold abroad, when competition compels, at lower prices than they themselves can buy them. And they smart under a sense of injustice. Forced to accept for their own products prices fixed by competition in the open markets of the world, they are compelled to buy for their own needs at prices increased by deliberate legislative action. Naturally and inevitably they are driven to ask why this injustice should continue? To ask how long they can hope to compete in the free world markets if their costs of living and production are artificially raised? To sell in the cheapest market and to buy in the dearest is an inversion of that condition which is clearly the self-interest of everyone to enjoy. Who can expect that the Western farmers should meekly and uncomplainingly accept such a sacrifice of their obvious interest?

Now, Sir, in connection with what I said with respect to the United States I wish to put on Hansard the following schedule showing the prices of cattle at Toronto, Winnipeg and Chicago:

	Toronto	Winnipeg	Chicago
Choice steers..	$8 25	$6 75	$12 50
Prime butchers' steers..	8 00	6 00	10 50
Common butchers' steers..	7 00	4 00	9 00
Choice feeder steers ..	7 00	4 75	8 00
Butchers' cows..	5 80	4 00	7 50
Butchers' heifers	7 50	5 00	10 50
Choice calves..	11 00	8 00	14 75

Is it any wonder that the farmers of Canada are casting longing eyes on the markets in the country to the south? They see perfectly well that the market there is really their natural market. If the Canadian government would see to it that no tariff war takes place between the two countries, and if the relations between Canada and the United States are conducted in a spirit of brotherly kindness, the day is not far distant when we shall have access to that market.

Now, Sir, I want to make a brief reference to Great Britain. What country in the world has made such a rapid recovery from the ravages of the Great war as Great Britain has done? Free trade has proven the economic salvation of that wonderful land. This, Mr. Speaker, is so well recognized that all parties in England to-day unite in supporting a motion before the British parliament providing for the repeal of the Safeguarding of Industries Act.

Honourable members to my right are prone to accuse those who sit in this section of the House of representing a class. But, Mr. Speaker, even should this assertion be true is it not still a greater truth in so far as these hon. gentlemen themselves are concerned? We at least can say that the workers in our cities will benefit as well as the farmers from a low tariff policy. In their case it is the height of folly to attempt to maintain that even the manufacturers, whose friends they claim to be, will derive any benefits of a permanent nature from the high protection they advocate. I ask honourable members whether the child of the poor family raised under "catch-as-catch-can" conditions, or the petted and protected spoiled only child of the rich man, can best sail the troubled seas of our everyday world. We may represent a class, Mr. Speaker, but if we do, it is the far larger class, the class that needs representation most urgently and the class which, up to the present, has had the least of it. These utterances from hon. gentlemen to my right have no foundation in fact. They only misrepresent the conditions which they endeavour to portray. The sooner the manufacturer and his representative come down to the earth of the farmer and of the working man, the sooner will we, in this parliament, be able to bring about conditions satisfactory to all and detrimental to none. Yes, Sir, the manufacturer has a right to representation, but who will deny the same right to the farmer and to the worker? Why must the farmer grow the bread required for the sustenance of the manufacturer? Why must the labourer sweat and slave to provide him with dividends? Why again should our natural development be hindered so as to nurture the manufacturers' growth? No, Mr. Speaker, we can never expect better conditions to prevail, so long as we maintain conditions that do not evenly distribute the load of our national obligations.

It has often been stated in this House, and more frequently by honourable members to my right, that the prices of farm produce are regulated by world conditions over which no individual country has control. Let us apply the same principle to our manufacturers, and allow the prices for the articles which they produce to be guided by the world supply and demand of the commodities they offer for sale. I submit, Mr. Speaker, that a condition which is fair for one section of our population is also fair for the other sections. One must be intentionally blind to all conditions of fairness and have swallowed his principles of British fair play to advocate in this democratic Dominion one set of standards for our manufacturers and another for our farmers and working classes.

I admit that the United States are living at present under a protective system, but I have no hesitation in predicting that this condition will not long endure in that country. You may be sure, Mr. Speaker, that the farmers in the country to the south will not much longer endure a policy which has been so detrimental to their welfare. Yes, I repeat, the tariff has done for the American farmer just the reverse of what he expected from it. He asked to be protected against Canadian wheat and he obtained, some time ago a protection of thirty cents a bushel. At that time the price of wheat on the Chicago market was six cents per bushel higher than the price prevailing at Winnipeg. He was not satisfied with that and obtained, more recently, from the United States government an additional protection of 12 cents, bringing the total to 42 cents a bushel. What has been the result? What did the United States farmer gain by this protection? Well, this is it. With no protection the Chicago price was at an advance of six cents over the Winnipeg one. With a protection of 42 cents a bushel against Canadian wheat, the advantage in price at Chicago has dropped to-day to two cents below Winnipeg. What a wonderful protective achievement.

I have admitted, Mr. Speaker that the United States is at present living under a protective tariff, but I take the most emphatic stand against the claims advanced that it is the most highly protected country in the world. When we take into consideration that

almost 58 per cent of the total imports of the United States are admitted free of duty; and we find that in the year 1924 the average rate of duty on dutiable imports into Canada was 22.85 per cent, and into the United States 35.51 per cent, and also in the same year in regard to the average rate of duty on total imports, the rate in Canada was 15.13 per cent and in the United States 15.33 per cent, we at once come to the conclusion that the United States has a small amount of goods under higher protective duty than Canada.

Yes, Mr. Speaker, low tariff is the essential requirement for the progress of our nation. No purely protective tariff or preference can result in anything but the imposition of unnecessary burdens upon the people. Tariffs are a hindrance to natural trade. They are a hindrance to natural development and they achieve everything except the results which they are intended to produce.

Who wants Imperial preference? Surely not the people of the British Isles. Why should they desire any measure which will increase their cost of living? Do we want Imperial preference? Not unless our British sentiments are limited by the benefits that would accrue to us from a partial closing of the Old Land markets to other nations, to the detriment of Britishers; not unless our attachment to British institutions is so weak as to wish our lot to be made better by the imposition of burdens on our brothers.

Previous to the Imperial conference two years ago, a meeting of members of all parties in England, was held in the House of Commons to formulate a policy of defence against the demands which it appeared certain would be made for Imperial preference. I quote a few of the remarks made by Mr. Asquith on that occasion. He said:

> From the beginning of the controversy begun twenty years ago the issue raised by the call for Imperial preference was the taxation of food. Mr. Joseph Chamberlain at the very outset confessed that any preference given to the colonies or the outlying parts of the empire was of no use, economically or sentimentally, unless as an essential part of it you put a tax on the importation of food into this country.
>
> There has been no change in the essential, fundamental and unalterable economic conditions. Imperial preference without taxation of food is a fraud and a sham.
>
> If that issue is raised again—and it will be raised and must be raised by some of the proposals to be laid before the forthcoming Imperial economic conference—and if some of these proposals materialize, the issue ought to be put fairly and squarely before the public, I have not the slightest doubt if that is done the verdict will be just as it was in 1906.

And the matter was placed before the British public, Mr. Speaker, and their verdict was just as emphatic as in 1906. Can we blame them? Why should they increase their cost of living? Mr. Asquith is right in maintaining that any idea of Imperial preference must necessarily mean the taxation of food and it is just as true of any tariff measure. I, for one, am unalterably opposed to any policy that will force the people of the British Isles to remember our ingratitude at their breakfast tables.

Speaking at Vancouver the late President Warren G. Harding said:

> The best citizen is the man who is a good neighbour and the best neighbour is the man whom we are friendly enough with to go and borrow a couple of eggs from.

This, Sir, may sound to you as an obvious truth. The regrettable part is that though we feel those sentiments of neighbourly friendliness we appear at the same time to be very unwilling to adopt the practice of the true brotherhood which they teach. What can be thought of brothers who hamper their own relations by the detrimental tariff walls which exist between the two great nations of this North American continent. I say to the people of Canada and to those of the United States that friendly relations and the feeling of brotherhood will only grow in proportion to the ease with which they can carry on both their commercial and diplomatic relations. The brotherhood of our two countries will indeed only be one of true Christianity when we can deal amongst ourselves between our respective countries as we or they are dealing to-day between our own cities.

The tariff must be looked at as absolutely vicious and the more you look at all its intricacies the more you realize that it never did and never can accomplish the purpose for which it was adopted. Tariffs the world over, in no matter what form they occur, have always been unfair as between different industries. They have always caused trouble and friction between nations. They always engender commercial rivalry and sooner or later they have ended in strained relations between nations, in many cases culminating in disastrous struggles in diplomacy, eventually ending in open war and the consequent destruction of humanity. What can any one advance in support of a policy that leads to such an end?

I was especially pleased, Mr. Speaker, that this government cut their moorings during the session of 1924 and made a distinct cleavage between the proponents of low tariff and the advocates of high protection. At

the same time, Mr. Speaker, I am very much disappointed that they did not in the least degree continue the lead then given. If confirmation is required, I need only read the statement made by the Prime Minister himself whilst addressing some remarks to the hon. member for St. Lawrence and St. George (Mr. Marler). In the course of that debate the Prime Minister said:

> The die is now cast. From this time forward, Mr. Speaker, we have the two natural alignments in this House, high and low tariff advocates.

Now, I am disappointed that the government did not at least lower the duties on such articles as automobiles, rubber and a few other things.

The manufacturers of our urban centres had better realize immediately that the population of our rural communities have finally set out with a determination to make a finish fight, a winning one, you may be sure, in order to equalize the conditions which have so long been discriminatory to our farming people. Previous to this parliament, the interests, the requirements and the needs of the rural centres received at best but scant consideration. Perhaps it was their fault. Very few men in previous parliaments had the full knowledge of farm conditions, due to the fact that in a great number of cases the representatives were the products of urban centres. This lack of representation as compared with the over representation of the manufacturing interests, resulted in the conditions which are to be found to-day when the farmer finds himself at such a disadvantage that it is just possible, by real hard work, to eke out a meagre living. On the other hand the agriculturists of this country do not wish to create unrest and dissatisfaction in any section of our population. They are the most stable part of our people. They certainly do not desire radicalism in any form. They are out to teach our manufacturers that they can progress better on their own supports and that the high tariff protection they have been accustomed to has not and never will give them strength. The farming population are not looking for favours. They are as willing as ever to bear their just share of our national burden. They are only asking that the hole be bored in the centre of the evener so that each section will have an even draught. They have now rebelled and certainly will not continue the slavery imposed upon them by drilling, always further from the centre, the hole that determines the respective pull required of the members of our national team.

No, Mr. Speaker, a high tariff policy is deterimental to the sound, sane and effective development of any country. No results of a permanent nature can obtain under such artificial conditions. We had better be without industries, if to possess them we must compel their growth within the protective walls of a hothouse. I am convinced that the diagnosis of our manufacturing industries was erroneous, since the treatment prescribed has proven ineffective. With the experience of the mistake made it is our bounden duty to rectify the error by changing the medicine. What better proof have we of this than the oft repeated plea of industry that it cannot stand on its own feet. The manufacturer is like the spoiled child of an over indulgent parent. I admit that this young man, might suffer by too radical a change in treatment. We must, however, gradually reduce the doses and finally omit altogether the support which he has too long received and imbue him with that spirit of confidence in himself that will enable him to depend solely on his manhood for success.

Now, Mr. Speaker, the Progressive party is a modest, retiring party, and we have been subjected to political thrusts, some of them not very clean, from all sides of the House—even from our own side; but I desire to affirm right here, that not only will the Progressive party come back after the next election, but will come back more than a mere remnant—more than a sad remnant. The Progressive party is here to do business and will do business in this House after all the present members, I was going to say, had passed into oblivion, but I do not say that because I know there are a great many hon. members of this House whose names will go down in the annals of Canadian history. I say the Progressive party will be doing business in this House long after all the present members have passed from this earthly stage of existence. The Progressive party has its roots in the soil and they will not be very easily eradicated.

An hon. MEMBER: No weeds.

Mr. KING (Huron): No, no weeds. We hear a great deal to-day to our right and across the floor about an election, the possibilities of an election and the readiness of the Liberal party for an election; but I believe the Progressive party is as well prepared to-day for an election as any other party in this House.

Mr. E. W. ROBINSON (Kings, N.S.): Mr. Speaker, I wish to state at the outset that it is my purpose to support the budget proposals as brought down by the Acting Minister of Finance (Mr. Robb) and, in as brief a manner as possible, to give a few reasons for doing so. A short time ago we had a speech

on the budget from the leader of the Progressive group (Mr. Forke), and I remember that he stated that he deprecated the fact that the financial statement had not been given to us in such a form that the ordinary person could readily unerstand it. I quite agree with him and I too would wish that the financial statement had been made to this House in such a manner that the ordinary person who was not a financial expert could easily understand it. We find the government classifying as assets items which the opposition classify as liabilities. As long as our financial experts disagree, how can those of us who have not an expert financial knowledge, draw a conclusion from the financial statement as presented to us? I have gone back in history a little and I find that this is not by any means a new condition of things. If you will read the history of parliaments, you will find that every government endeavours to make the best showing it can. Every government attempts to keep alive a feeling of contentment in the minds of the people, while it seems to be the duty of the opposition, if possible, to break down that financial statement and to preach discontent. Therefore, I am not at all surprised when this debate follows the regular order. I am ready, however, to accept the statement of the Acting Minister of Finance concerning our surplus, for this reason. Last year we were face to face with the same conditions that we are facing to-day. The Acting Minister of Finance at that time claimed that we had a surplus of some $34,000,000. This was strenuously denied by the opposition, and yet during the year we are told that the government made a payment of about $34,000,000 on the national debt. They must have had this sum in order to be able to pay it, and I am therefore ready to accept the statement of the Acting Minister of Finance that we have, at this time, a surplus of $1,800,000.

The equalization, if I may call it such, of the duties on coal also meets with my approval, for this reason. I am not going into the details of the history of the duties on coal. It is sufficient to say that there were two duties on slack coal, one of 14 cents and the other of 53 cents a ton. As usual, it was the manufacturer who had the advantage of the 14 cent rate while the householder paid 53 cents a ton. If there is to be a duty on coal, there should be no special privileges to any class; all classes should pay the same duty, and for that reason, I do not look on the change in the duties on coal as an increase. It is an increase to the manufacturer from 14 cents to 50 cents a ton, but to the householder it is a decrease from 53 to 50 cents a ton. I come from a county in Nova Scotia that is non-producing as regards coal. We are users of coal and I believe the householders in my county will be pleased when they know that the duty that they have to pay on coal has been reduced from 53 to 50 cents a ton.

Another item proposed by the Acting Minister of Finance that appeals to me is a tariff commission. If by this tariff commission is meant a travelling commission to go around the country and then come back and give its opinions, I for one would not see much in it. We have had this kind
10 p.m. of thing in days gone by. But if by this tariff commission is meant a number of experts who will collect facts and give us the means of forming our own opinion, I am in favour of it. I was surprised the other night when the hon. member for Springfield (Mr. Hoey) said that if we had such a tariff commission, it would fasten on the country forever the system of protection. I do not believe it would, and I for one would say that if a knowledge of the facts will fasten on us the system of protection, I do not see how we can get away from it. As I take it, it will be the duty of this commission to collect facts and to submit them to members of this House so that we can form our judgment on them, and not as the hon. member for York-Sunbury (Mr. Hanson) said a short time ago, to take the responsibility in their hands nor to assume to themselves the right to fix rates. Is this not needed? I for one would say that it is, and for this reason. Sitting in this House I have heard somebody advocate an increased rate of duty, giving reasons for his opinion, and to me it seemed to be all right, while some other hon. member would take the same industry and show that it was already too highly protected. What are the facts in such cases? Let us have the facts and then we shall be able to form our opinion.

I should like to mention, in passing, a budget proposal that appeals to me, and that is the reduction of the duty on engines used by fishermen. This will be a benefit to the fishermen on both the Atlantic and the Pacific.

A great deal of discussion has taken place in this House regarding trade and business depression. Everybody will admit that we have been passing through a period of serious depression. A little knowledge of history will teach us that during any war there is a period of great business activity and this is always followed by a reaction. It cannot be cured by legislation. Any country that has engaged in

a long drawn out war must pay the penalty. The longer that country is at war the heavier the penalty it must pay. We were in the war from start to finish, and we have to face the depression that naturally follows in its wake.

I wish to speak for a minute or two on conditions in the Maritime provinces, because I am more familiar with conditions there than with those in other parts of the Dominion. We have had a serious depression, but I would point out that to a great extent this is a post-war condition. Let us take Nova Scotia, for example. During the war Halifax was a world port; all the ships of the seven seas found there a haven; the population of the city grew by leaps and bounds; all goods that could be sold were sold there; there was an abundant demand for labour; and even the explosion, although so disastrous, was not altogether an evil, for it brought into the city a great many labourers to reconstruct the devastated buildings. Now with the close of the war the city goes back to normal. Could anything else be expected? It had inflated its population by 15,000 or 20,000. That surplus of necessity must go somewhere else, and a great deal of the exodus from Nova Scotia is accounted for by the abnormal conditions that existed in Halifax during the war. In Nova Scotia another cause of financial depression is due to the trade policy under which we have suffered more or less for the past forty years, because much as protection may be a benefit to other provinces—and I do not deny that it is a benefit to the central provinces—there is no question but that it has been very injurious to the Maritime provinces. We have seen all our industries either closed out or else compelled to move to the central provinces. There has been also a movement of capital. I do not say that legislation could change it, I do not say but that it is the natural result, for capital tends to flow to large industrial centres, and so far as I can see there is no way to prevent it. Four of our largest chartered banks had their origin in the Maritime provinces, but their headquarters are not there to-day. So I say from our geographical position the trade policy that may be beneficial to the rest of Canada is injurious to us, and it has been one of the causes that has produced depression in the Maritime provinces. When hon members stand up in this House and say that such depression can be cured by some act of this parliament, I for one do not see how it can be done. Again, we used to have low transportation rates, but when the Intercolonial railway became a part of the Canadian National system our rates were substantially increased, with the result that we are now almost isolated from the rest of Canada. The Fordney tariff struck us very hard, especially in the fishing industry, and for two or three years at least the fishing industry was disorganized. But I do not wish to paint too dark a picture. Let me speak of Nova Scotia, of what we have done there. In the statistics for 1924 I find that our field crops were valued at nearly $17,000,000; we had dairy products worth nearly $10,000,000; fruit and vegetables to the value of something over $7,000,000; poultry and eggs worth nearly $1,700,000; our fisheries yielded a revenue of $8,750,000; our minerals yielded a revenue of $24,900,000, and up to date we have shipped to England 1,900,000 barrels of apples: so the outlook for Nova Scotia is not altogether dark. But we have some needs, and it is of these I wish to speak for a few minutes.

The first and great need of the Maritime provinces, as I see it, is lower freight rates. Something should be done in order that we may be placed on an equality with the rest of the Dominion in this respect. That these freight rates are hard on the Maritime provinces has been shown conclusively by the member for Kings, P.E.I. (Mr. Hughes) and the member for Northumberland (Mr. Snowball). We are suffering from the bad effects of unjust freight rates. Now, this is the cure proposed by some people. They say that the Maritime provinces should be given a freight rate lower than actual cost, and that the rest of the Dominion should be taxed to make up the difference. I do not believe that that is the general wish of the Maritime provinces, nor do I believe that it would produce the result that is looked for. As I understand it, we in the Maritimes do not ask for charity—not at this stage at least; all we want is justice. But there are two items in the Maritime provinces that might well receive a freight rate lower than actual cost, and this reduction would work a benefit to the entire Dominion; those two items are coal and fish. Certainly the people of Ontario and Quebec need our coal; therefore if it were brought from Nova Scotia and New Brunswick at a very low rate it would benefit us, and it would benefit also Ontario and Quebec. The same would be true concerning fish. But would this be true with respect to other things? Take farm products, for example. Suppose we in the Maratime provinces received a rate lower than cost in order to ship our farm products into the central provinces, see what the result would be. I have heard hon. members of the opposition say that in Ontario at least they do not want competition

in farm products; indeed they tell us that they wish farm products from the United States shut out from Ontario and Quebec, for they want to supply the home market themselves. They do not want competition. We have heard that over and over again in the House. They advocate a tariff against United States farm products. Would they be willing to have competition from the Maritime provinces in farm products? Would they be willing that we should send up our butter, our eggs, our poultry, our bacon? And not only send those commodities here, but that a portion of the expense be paid by the central provinces to the extent to which the freight rates were lower than cost? It does not seem to me reasonable. And if we had the revival in industry that has been talked of down in the Maritime provinces, and we began to ship manufactured goods into the central provinces, would the manufacturers there, who already say that they do not wish for any competition, would they, I say, welcome competition from the Maritime provinces, especially if they had to bear a portion of the freight rates on the goods? It seems to me, Sir, that it would be unreasonable to expect any such welcome.

What we need in the Maritime provinces is wider markets. We have developed a market in England and in some of the countries on the continent, and we have a market in the West Indies that I believe could be developed to a very considerable degree. Of course, it goes without saying that, whether it be true for the rest of Canada or not, reciprocity would have been a panacea for the Maritimes. However, if we had wider markets, if we had better shipping facilities, including cold storage, frost proof warehouses, improved docking, and if we had lower freight rates, it seems to me that all these things would tend to cure the present depression in the Maritime provinces.

Now for a few minutes I wish to refer, Mr. Speaker, to something that, so far as I know, has not been dealt with except by the hon. member for Muskoka (Mr. Hammell) who spoke a few nights ago on the tourist trade. I believe we overlook the importance of this trade. If I understand it rightly, it is the third item of revenue. From agriculture we had a revenue in 1924 of $407,000,000; from wood and wood products, $229,000,000; from the tourist trade, $150,000,000; from mine and mine products, $125,000,000; from animals and animal products, $135,000,000. Here is a trade question upon which, it seems to me, all parties in the House might agree. Here is an infant industry that I do not think anybody would oppose encouraging. The encouragement of the tourist trade is an attempt to capitalize our scenery, our climate, and our points of historic interest. The tourist trade does not interfere with any existing industries, nor does it in any way deplete our natural resources. It is well known to members of this House what other countries have done in connection with the tourist trade. Switzerland has capitalized the Alps; France has capitalized her art museums and her galleries, Italy her blue sky, and Greece her historic ruins. Therefore, it seems to me that we should try in some way to capitalize our scenery, our points of historic interest—and we have them, Mr. Speaker. I need not point out the beauties of British Columbia, the attractions of the Great Lakes or the river St. Lawrence, the historic interest that attaches to the province of Quebec. I would like, however, to say a few words about the Maritime provinces and their relation to the tourist trade, or the relation of the tourist trade to them.

In the first place, the scenery throughout the Maritime provinces all belongs in the same category. There are not in this respect, three provinces; there is one province. We have no mighty mountains; we have no great rivers. Everything is on a small scale. Geologically speaking, the Maritime provinces are the oldest parts of the continent of America; nature has been at work there the longest time, and she has smoothed out the rough places. There are no irregularities; we have harmony—harmony of river, hill and valley. We have a climate that is not equalled anywhere else in North America. The thermometer rarely goes below zero in winter or above eighty in summer; while cities of central Canada and the United States are sweltering in heat, we in the Maritime provinces are enjoying the cool breezes of the Atlantic.

But I wish to emphasize particularly our points of historic interest. We in the Maritime provinces have a number of important points of historic interest. The provinces of Nova Scotia and New Brunswick were anciently the French province of Acadie. The first settlement that was made in Canada was made at Annapolis, or Port Royal, in 1604. The French settled at various places throughout Nova Scotia and New Brunswick and whenever a war took place between England and France those points of settlement by the French were objects of attack. The result was that they were taken by the English and were handed back by treaty. Annapolis was taken four different times by the English and then returned to

the French. In 1713 the province of Nova Scotia was ceded to England, but almost immediately war broke out, because the French claimed that they had ceded but the peninsula of Nova Scotia while the English claimed they had been given the entire province of Acadie. The result was that the French built a fort at Beausejour, and at Louisburg, in Cape Breton, and war went on. In 1763, of course, the entire country passed into the hands of England, but between the years 1713 and 1763 there were great historic events in Nova Scotia. Fort Beausejour was taken; Louisburg was taken twice. It was in that period that Halifax was settled by the English and the expulsion of the Acadians took place. I could go on for some time pointing out the historic interest of Nova Scotia, but it is not necessary.

I might mention that as far as Canada is concerned we are the land of first things. The first road in Canada was built at Port Royal in 1605. The first Roman Catholic church in Canada was established in 1608. The first Protestant church in Canada was built at Halifax in 1749. The first newspaper published in Canada was published in Halifax in 1751. The first representative assembly chosen in Canada met at Halifax in 1758. The first college or institution of higher learning was founded at Windsor, Nova Scotia, in 1788. It is a fact that we shipped or had apples for sale in Nova Scotia in 1663, and coal was exported from Cape Breton in 1743. I could continue, Mr. Speaker, for some time giving a list of points of historic interest in the province of Nova Scotia.

I wish to point out briefly what we have done in connection with the tourist business. In Nova Scotia last year we had 100,000 tourists and the revenue from that source was $7,000,000. We have good roads. We have tourists' associations; we have boards of trade devoting their activities to promoting tourist trade. We distributed last year 500,000 copies of a guide book to the province. Good work was also done in New Brunswick. They had about 100,000 tourists and they estimated their revenue at $5,000,000. In order to show their interest in the tourist business I may say that the membership in the New Brunswick Tourist Association rose in one year from 800 to 1,400. Prince Edward Island also had 36,000 tourists last year and a revenue of $750,000 from that source. In Prince Edward Island the number of automobiles coming in, not owned on the island, was 800 in 1923 and 1,400 in 1924. I mention these facts simply to show that we in the Maritime provinces are alive to the importance of the tourist trade.

[Mr. Robinson.]

But there are things that we in the province cannot do. There is a limit to what we can do in the encouragement of the tourist trade, and it is right here that the federal government have an opportunity to do something for us if they will. There are two branches of the federal government which are connected directly or indirectly with the tourist trade; first, the National Parks branch, and second, the Natural Resources branch. The National Parks branch has charge of the national parks, of which we have ten, I believe, three in British Columbia, three in the prairie provinces, and four in Ontario. We in the Maritime provinces have no objection to those parks being there; we understand that that is probably the natural place for them. But the National Parks branch have also under their control historic sites and the marking of those historic sites by means of suitable monuments. What we would like in the Maritime provinces is this: That the National Parks branch take charge of the grounds at Fort Beausejour, for example; that they take charge of the grounds at Louisburg, and preserve them. They have already taken charge of a small area at Annapolis Royal. This is work that can only be done by the federal government, and we do not wish to duplicate in the provinces the departments that already exist at Ottawa. So it seems to me that there is work here for the National Parks branch. That department is doing good work up to the measure of their financial possibilities. We in this country, it seems to me, are lax in some respects, and one of these is the encouragement of such branches as the National Parks branch. We could have in New Brunswick a small national park, and we could have another in Nova Scotia, to add to our points of interest. In New Brunswick they have points of great scenic interest, such as the St. John valley, the valley of the Restigouche and the Miramichi. But what we require is simply that the federal government take hold of this thing when we have carried it as far as we can. In Nova Scotia we have the Wentworth valley, the Annapolis valley and the Bras d'Or lakes—points of scenic interest. At some of these points a small national park could be located. The Natural Resources branch also in its work comes in contact directly and indirectly with the tourist trade. They examine into the natural resources of the country, follow out the waterways, outline canoe paths or trails, if you can call them such, and make maps. This is something that the provinces could hardly be expected to do. They should not be expected to duplicate the work that is being done or that

can be better done here at Ottawa. What we ask is that the federal government co-ordinate the work of these branches, that they be given financial assistance so that they will be able to carry on the work, and that we should have here at Ottawa a tourist publicity bureau for the entire Dominion of Canada.

So far as the Maritime provinces are concerned, if we could get fair freight rates, increased marketing facilities, cold storage, and frost-proof warehouses, if we had wider markets and an increasing tourist trade, I believe that we would not suffer a great while in the province of Nova Scotia, at all events, under the present business depression.

Mr. J. L. STANSELL (East Elgin): Mr. Speaker, I feel somewhat at a disadvantage at this late hour in endeavouring to offer a few remarks on the subject before the House. I do, however, wish to put before the House and the country my own personal views on this subject.

As far as the budget itself is concerned, there has been no criticism thus far so strong as that which has come from hon. members on the government side of the House. About thirty members supporting the government have already spoken, and almost without exception they have devoted themselves to every subject under the sun except the budget itself. The careful way in which they have avoided that subject is, I repeat, Mr. Speaker, the strongest condemnation that can be offered.

With the remarks of the speaker who has just preceded me (Mr. Robinson), I am very much in sympathy. I believe he has touched on a vital subject. I believe we possess in the natural resources of this Dominion, in our wonderful scenery and climate, a potential asset that can be developed and capitalized to a wonderful extent. However, while I sympathize very much with what the hon. member has just said, he like most of the other members on the government side has avoided nearly everything in the way of a reference to the budget itself.

We were treated this afternoon to a very long and eloquent address, which was also very much apart from the essentials of the budget. I had hoped, Mr. Speaker, that the wounds and sufferings of the war would not of necessity be drawn into this debate. The hon. member closed his address with a very eloquent appeal for national unity, for the elimination of all sectional strife and racial ill-feeling. His very eloquent appeal for unity followed an address which was nothing if not an attempt to incite that very division he deplored. We were told something about the Ross rifle. The speaker himself claimed to know very little about this rifle. He also, I believe, kept as far away from the actual use of it as possible, and he criticized strongly the men who shouldered that weapon and fought their country's battles in the bloodiest war of all history, carrying the weapons supplied to them, imposed on them, if you please, by the party of which he is a distinguished member. I have wondered, Mr. Speaker, how long in the constituency of the hon. member it will be necessary to manufacture campaign material of this type. Are there no great issues of the day that can be discussed? Is there nothing before us to-day on which an election can be won or lost that we have to revive the sores incidental to that fearful conflict? While it is very nice to discuss national unity and the elimination of all ill feeling, it seems to me it would be well to begin now to put in practice those high principles.

Since the beginning of this debate, compliments of various kinds have been handed to members of the cabinet and supporters of the government. I believe the Prime Minister himself can be complimented on the fact that he holds the record for a marathon performance in this fourteenth parliament, in delivering a speech over four hours in length. His record has been nearly approached by other hon. members. I think this habit of making lengthy speeches is growing to too great an extent. The speeches might very well be condensed. The work of the House would be expedited, and the country itself would be very much better served by shorter and more practical speeches, by a little more hard work and a little less talk.

The Minister of the Interior (Mr. Stewart) has been complimented on his sunny countenance and his transparent honesty.

The Minister of Labour (Mr. Murdock) must be complimented on the amount of figures he has been able to put upon Hansard, but I wonder, Mr. Speaker, whether the workmen of this country are not sufficiently intelligent to know whether they have a job or not. I wonder if industry in this country is not sufficiently intelligent to know whether it is working full time or not. I wonder whether all of us are not sufficiently intelligent to know whether we have money in our pockets and are prosperous or not. I do not intend to go into this in any further detail, because most of us know what the conditions of the country are. I think it is hardly

necessary for the Minister of Labour to supply page after page of statistics and figures to convince people of what they know already as to the conditions of to-day.

But to the Acting Minister of Finance (Mr. Robb) I think I can pay the most sincere compliment upon the brief way in which he delivered his budget statement. I can compliment him also on his ability in the art of juggling and sleight of hand. Perhaps this was necessary. An election cannot be so very far away, not more than about a year at the outside, and no doubt the government felt it was absolutely necessary to make a good showing and provide a surplus and, if possible, a reduction of debt. Therefore the minister accomplished, or set about to accomplish an impossibility, and the way in which that was attempted was certainly a credit to his ability. We have in this budget speech a statement of the country's finances, where figures are distributed through column after column with a sort of editorial comment. Looking at them one cannot but wonder at the deftness with which that distribution has been accomplished. Is it not time, Mr. Speaker, that a financial statement dealing with the affairs of the country should be presented in such a simple and practical way that the average man can understand just what the situation is? I ask you, would any company, any bank, or any organization dealing with the public that submits an annual statement, present the statement in the form in which this is given to us? There can only be one reason for a statement of this kind, it is intended to cover up the actual facts, to hide from the general public what the true situation is. I will not say this is the first time this has ever been attempted; I do not propose to outline what anyone has done in former times. It is sufficient for me to deal with the facts as they are to-day; and I believe that the public of Canada, the electors who take an interest in the welfare of the country, are entitled to a simpler and plainer statement of the existing financial condition than they are getting. I believe, Sir, in the fair-mindedness of the public. I believe that the people of this country are willing to accept a plain statement of the facts, that they are willing to do their fair share in any way in which they may be called upon to remedy the condition that exists; and a first essential towards enlisting their sympathy and support is to give them a frank and open statement of the actual financial conditions of the country.

When changes were made in last year's budget an estimate was given that this would bring a reduction in revenue of about $24,000,000. We are told in this year's statement that that reduction was more than double; that the actual reduction or falling off in revenue was $52,800,000. In the face of a decrease in revenue of $52,800,000, coupled with a greatly increased expenditure, the Acting Minister of Finance, if we accept his statement, is actually able to show that he has a very substantial surplus. This, I repeat, is a feat that very few would attempt and very few would succeed in accomplishing. I call attention to a statement made when this estimate was presented, in which it was predicted that there would be a reduction of $24,000,000. I quote the significant words which follow:

> It is confidently expected that this reduction will give such impetus to trade that it will result in greater development of prosperity to all the provinces of Canada.

Now if prosperity is to come to any part of Canada, much less to all the provinces, I submit it must come in another form than this. The actual result is more than twice the amount the minister estimated. Therefore prosperity must be twice as great as he expected it to be. What a blessing, Mr. Speaker, it would be to this country, and to all the provinces if based on that assumption the revenue had disappeared entirely. Certainly if the loss of $24,000,000 would bring prosperity, and by doubling that loss we would have even greater prosperity, then on the same assumption had we lost all our revenue we certainly would have reached the millennium. I mention this to show the fallacy of the deductions drawn by the Acting Minister of Finance in his statement.

Now, here is the statement by the hon. minister condensed. I use his own figures entirely, because we must remember that the budget having been brought down early this session it was necessary to estimate some of the receipts and expenditures. I presume that no one is in a better position to estimate those amounts than the minister himself. I also presume that his canny Scotch caution would not allow him to exceed the expenditures very much or to reduce very much the revenues in his estimates. I therefore accept his figures in which he estimates the actual receipts at a total of $344,000,000. Against these the expenditures are estimated at $342,177,000, leaving a surplus of $1,823,000. As I said this is a somewhat complicated statement and in order to get at the facts it is necessary, if we take the minister's own figures, to do considerable figuring to arrive at what we believe the true condition of affairs to be. I have spent some time working

on these figures, and I intend to submit what I think is the true and proper statement of the financial affairs of this country based on the figures supplied by the minister himself. We have an actual revenue of $308,994,207.71. It is estimated by the minister that there is yet to be received $35,005,792.29, which makes $344,000,000 of total receipts. The expenditures, actual and estimated—and again I take the minister's own figures—are as follows:

Expenditures Actual and Estimated—	
Ordinary	$319,700,000
Capital	18,077,000
Special	4,400,000
Canadian National Railways	18,027,000
Total	$360,204,000

You will notice, Mr. Speaker, that I am not separating these amounts. It is true they are separated by the minister for purposes of his own; but I submit that the National Railways are owned by the people of Canada and any money advanced on their account is owed by the people and must be paid. Therefore in order to make this statement perfectly clear I am adding the amount of cash advanced to the railways, making a total expenditure of $360,204,000. Instead of there being a surplus there is an actual deficit of $16,204,000 and I submit, Mr. Speaker, this is the correct statement.

Now let us see what the railway financing is. It will be remembered that parliament authorized $56,527,000 for railway expenditure. This not being enough, a further supplementary estimate of $7,500,000 was approved, making a total of $64,027,000 divided as follows: Cash, $18,027,000; guaranteed bonds, $46,000,000. In addition to that there fell due Canadian Northern securities amounting to $17,000,000 which were re-financed and for that reason are not counted. I merely mention this to show the amount of money required to finance our National Railway system. There was a further flotation issued by the railway itself of $9,375,000. This was for equipment and I presume the equipment was worth the money paid for it. I understand this loan was made by the railway system itself and was not specially guaranteed. We will therefore leave that out of consideration, because we take it for granted that the equipment was worth the money.

Then there was another special loan for the Toronto terminals, and branch lines, amounting to $18,000,000. This was guaranteed by the government. So that our total railway requirements for the year just past amounted to $108,402,000. I mention this because there is a certain degree of pride on the part of the Canadian people in a railway that they own and operate; but we must remember what that railway is costing the people, and when we hear people glibly talk about the reduction of freight rates and all such things as that. without taking into consideration that this will of necessity make that railway a greater white elephant on our hands than it is at present, it is well for us to pause and consider that we have spent during the year $108,402,000 on railway account. I will deduct from that securities that were re-financed on account of the Canadian Northern Railway, and also deduct the amount the railways issued for their own equipment. That leaves a balance of actual debt from the operation of the railways of $82,027,000. I will now give the figures supplied by the Acting Minister of Finance (Mr. Robb) on the increase of national debt. He figures the addition to the public debt as follows:

Cash to Canadian National Railways	$18,027,000
Canadian Government Merchant Marine	900,000
Quebec Harbour Commission	600,000

That is an increase of $19,527,000, but he deducts from this a surplus which he showed in the first statement of $1,823,000. That will leave $17,704,000. But now he deducts something else; that is, an amount of $4,000.162, which is obtained in the following way. The governments of Greece and Roumania owe the Dominion and have owed the Dominion for some time a large sum of money which they have not repaid, nor have they paid interest on the money. The government have arranged for a funding of this amount of interest: that is, they have taken the amount of interest, of which not one dollar has been paid, and added it to the original amount, and then claimed this $4,000,162 was a surplus. It is just the same as though I held a mortgage on a man's farm so large that he was unable to pay a dollar of principal and had not paid any interest for some years, and I go to him and take a new mortgage, covering both principal and interest, and add the interest to the principal, and then say, "I have profited to the extent of the amount of interest added to the mortgage." If there is such a thing, Mr. Speaker, as unsound financing, this is an outstanding illustration. There may be something received in future years. We hope so, but no method of bookkeeping should show cash received before any cash has been received.

Reference is made in the budget to the fact that we now have added securities. I want to call attention to the fact that we had the security of the debtor, nations themselves before this, and we have not anything more than that now. You will notice

by this statement of figuring a fictitious surplus of $1,823,000 is added to another surplus of which we have never received a dollar, amounting to $4,000,162. Therefore, according to the statement of the minister the net increase in the national debt will only amount to $13,703,838. I propose now, to show what the actual increase of the national debt is. placing the statement on Hansard and then explaining how it is arrived at:

Statement of National debt

Net debt March 31, 1924..	$2,417,783,174 88
Addition on railway account..	82,027,000 00
Deficit..	16,204,000 00
Total addition for year..	$ 98,231,000 00

Again taking the minister's figures we are told that on March 31, 1924 the net public debt was $2,417,783,274.88; add on railway account, 1924-25, the sum of $82,027,000. It was pointed out by the minister that there was some difference between the cash advanced by the railways and the guaranteed bonds, but I must confess I am unable to understand where the difference is. In the one case we borrow the money on our own security and hand it over to the railways to the amount of $18,027,000. That is counted as a debt. In the other case we ask the railways to issue bonds for $46,000,000 and we guarantee them and they get the money. There is absolutely no difference. We, the people, are the railway. We own the railway. In the one case we have our own note, and in the other case we endorse the note of the railway and raise the money absolutely on the credit of the country. So that I say on railway account the debt is increased by $82,027,000. It cannot be disputed The people of Canada are just as much liable for that amount as they are for any other amount they have advanced. The railways have not repaid any money loaned them and are not likely to. There is no difference whether you advance money to a harbour commission, to other public works or to the railway, because they are all owned by Canada and the debt incurred is money spent or money advanced by the people of Canada. There is no escape from it. Here is the situation: they add to the debt $82,027,000. In addition there is a deficit, as I have shown, of $16,204,000, making a total addition to the debt for the past year of $98,231,000. That, Mr. Speaker, is a true financial statement of the affairs of this country and one which cannot be disputed.

It has been pointed out also by the minister that at the beginning of the year there were cash assets of over $43,000,000, and in order to be accurate, I will read his statement to the House.

> May I, before leaving this question of debt reduction, direct the attention of the House to the balance sheet of the Public Accounts at the close of the financial year 1923-24, page 2, where will be found among our assets an amount of $43,612,756.16, cash left in our hands after the closing of our accounts for that year; and I submit the question: Is not the actual possession of so much cash conclusive evidence that we ended that year with excellent results?

That is accounted for however by the fact that they borrowed the money and had not yet spent it. If that is a sound argument there should be a similar amount of cash on hand at the present time, but there is no reference in the minister's statement of any such amount of cash now.

Another matter to which I call attention is the statement made last year of the prosperity that would follow the reduction of taxation. You may look from one end of the statement to the other in this year's budget and will not find any such promise of the year that is to come. This is ample proof that the financial statement might even be worse than I have outlined, but the figures I have given are those taken from the minister's own report and I submit they are correct.

A great deal has been said about the policy of the government. I do not want to be unduly harsh and I am going to state frankly that I do not think all the unemployment and all the difficulties with which we are faced are due to the government, but I do think that they did their very best to bring about this condition. They have not done a great deal in the past four years, but in my humble judgment everything that has been done has been wrong, and I will attempt to prove that that is so. I do not claim for one moment that the immediate adoption of a Conservative policy or the proper application of adequate protection will at once restore prosperity, but I believe it will materially assist in that direction, and the sooner those policies are applied the sooner the remedy will come.

A discussion of policies present and prospective brings us to that old somewhat threadbare subject, the tariff, protection versus free trade. Undoubtedly many beautiful arguments can be submitted by those who sincerely believe in free trade. Many of those arguments are founded on a study of the theories of Cobden, Bright, Henry George and others. I should like to point out that this whole thing is based on a theory intended to apply to conditions that never existed in this world and in my judgment will not exist within a generation at least, if ever. The benefits of such a policy as free trade could be real only to the extent to which all

nations adopted the same policy. This theory of free trade, however beautiful it may be, is absolutely worthless and impracticable as applied to conditions as they exist to-day. I am quite sure there are only a very few members in this House who really and honestly believe in their hearts that free trade is the proper thing for Canada. Fortunately, they are very few, and to such I can only offer sympathy because I am convinced that there is no practical method by which free trade can be applied with beneficial results to the Dominion of Canada at the present time. We are faced with conditions and facts, not with theories.

Briefly, what are conditions in Canada to-day? We have taken our share in a war that, in magnitude, in expenditure of men and money, in its fearful results, has never before been equalled in the world. It is folly to think that Canada or any of the allies, or, indeed, any nation even most remotely connected with the war, can go through such a period without tremendous commercial disturbances. During the period of the war, business was stimulated to a wonderful degree, advanced and enlarged, spending habits were contracted, the people were spending and reducing their own buying power, so that at the close of the conflict a reaction was inevitable. The only thing that could or should have occurred was a realization of the results that must come from such a conflict and the proper application of remedies which, although they might not be entirely curative, would at least have been preventive. Many nations of the world, amongst others the United States, realizing that, used the only weapon which they had to work with—a protective tariff. Sixty-five nations have increased their tariff since the war with the direct object of trying to conserve and protect their own resources to supply within themselves the limited buying power of their people. Canada, through a mistaken policy, is perhaps the one outstanding nation which took the opposite course, with the result that most of us know. I said a short time ago that the only thing that this government has done has been a mistaken act. The little that it has done has been in the wrong direction. While I never was a believer in high protection, I am convinced that from the standpoint of the farmer, labouring man, manufacturer or anyone else in this Dominion, we should at once, faced with that condition, have revised our tariff and made it so as to fit conditions as they were.

This is the condition that faces us. Our buying power is reduced. The buying power of all the nations of the world is reduced. They are buying only the things they must, of necessity, buy. There can be only one result.

11 p.m.

We must curtail our expenditure, reduce many of our activities and live, as far as possible, within ourselves. Surely, when buying power is low, when men are out of jobs, it is not a practical policy to go to a foreign nation and buy goods that we could produce ourselves. I do not propose to deal with the tariff as it affects a particular individual or class. I contend that whatever policy we put into force should be one for the general benefit of Canada.

In addition to conditions which I have described, we have a system of national railways besides the great railway system of the Canadian Pacific. These, with their branch lines, form three great lines, running east and west across this country. That is, the money of the people of Canada is invested in railway lines running east and west. With the enormous debt that that entails, there are created fixed charges which must be met by the people of the Dominion and the only way in which those fixed charges can be reduced and the railway deficits removed is to keep those railways busy. We have a tremendous national debt which, as I have shown, amounts to about $2,500,000,000, which also involves an enormous fixed charge in the way of interest. The only method by which that can be carried by the people of this Dominion without an undue burden is to enlarge and invigorate our commercial interests in Canada, to increase the volume of business that is done. Any other system is bound to be ruinous. With conditions such as these, with our money invested in railways and with our tremendous national debt, both of which entail enormous fixed charges against us, the only way in which we can get out of such a situation is to reduce overhead so that we can carry the burden without its resting too heavily upon us. To do this we must have increased population and employment for our people, and our farmers and employees in our factories must be producing sufficient to carry the load.

Another reason why a protective tariff is absolutely essential to the Dominion is this. For 3,000 miles we are alongside a neighbour upon which, whether we like it or not, we are dependent for certain conditions. A certain scale of wages is in effect over there, for example, the McAdoo award in regard to wages of railway employees, and whether we

like it or not we are forced to accept the same scale of wages in Canada. If not, if wages are lower on any particular line in Canada than they are on the corresponding line in the United States, it is very easy for our workers to walk across the border, and with the conditions that we have had during the last few years that is just what has happened, to the great detriment of this country, We deliberately adopted the policy which encouraged greater importations from the United States, with the result that our workmen have had to go over there to get a job. This is axiomatic, I think, and incontrovertible: whereever the nation sends its money, there its sons and daughters are bound to go. This is inevitable. If our money goes to the United States or to any other country to build up industries there, your sons and daughters must go there to get work. There is no escape from it. It may not be pleasant, but it is true nevertheless. As an illustration, I might mention something that was made a great deal of some years ago when the Farmers' party first had its rise, although I do not hear so much about it to-day, and I rather think the idea has been exploded—a great deal was said about the depopulation of the farms and the rural people drifting into the large urban centres. Years ago when there was a far greater proportion of our population in the country, a great many of our farmers were obliged to meet their requirements by their own handiwork, and what they failed in so supplying they obtained from the corner store, their money being spent at home as far as possible. To-day how many farm houses will you go into throughout Ontario and Quebec where you will not find Eaton's or Simpson's catalogue in a prominent place? The people are sending their money to Toronto and the other big centres to furnish their requirements. I am not finding fault with this but again my axiom applies: If your money goes to any of these large centres, your sons and daughters must go there to get their living and in an even greater degree, the same holds true when we send our money to a foreign country.

Now, as I said, we are dependent on the United States, in that whatever fiscal system they adopt we are forced in self defence to adopt something similar, otherwise ruin stares us in the face. Now, does anyone think that, forced as we are to pay wages on the same scale that obtains in the United States, we can manufacture goods to compete with the cheap labour of Europe? We cannot do so. With our high overhead, therefore, we need protection from cheap foreign labour to hold our own. Now, as I said, the government in my judgment adopted an entirely wrong policy at a most critical time in the history of Canada. When the national sickness was acute they neglected their patient at the very time when a stimulant should have been administered they resorted to bleeding. Why, Mr. Speaker, my hon. friends from the west and also some of their party from Ontario—I believe they are entirely sincere—conceived the idea that because something was wrong with the body politic it must be the tariff, and that therefore it should be done away with. They demanded free trade, and because their platform coincided almost word for word with the one adopted by the Liberal party before they came into power, in order to secure sufficient votes to continue in office the government went a little way —and I think against their better judgment— in the reduction of the tariff. This has resulted in the closing down of factories, unemployment, emigration to the United States, and a loss of revenue to the tune of $52,800,000. I should like to know whether one man or one class has received any benefit from that policy. I know the whip of the Progressive party (Mr. Johnston) said that the agricultural people had. That is a business which I know a great deal about for I was raised on the farm and have farmed all my life, consequently I am familiar with the purchase of agricultural implements and of all other things necessary to equip a farm. I remember that about twenty-five years ago when the duty on agricultural implements was 20 per cent we had the cheapest implements in the history of the country. I do not say that the tariff was the only reason for their cheapness. My point is that the application of a customs tariff does not always increase the price to the consumer of the article protected, and I think it is very easy for hon. members to prove that to their own satisfaction. When a high duty was imposed on our cattle by the United States tariff, where did the complaint come from? It came from our western farmers who desired to ship their cattle across the line, and they complained that they were shut out from the American market. It was true; we were the ones that suffered, not the consumers in the United States. Now we had a most substantial reduction in the tariff on agricultural implements. What was the result? In order to enable the implement makers to break even they were given their raw material practically free of duty, with the result that the factories that supplied that raw material are to-day out of business or working half time. The result to them has been disastrous. Now, who benefited? Figures have been given, and no one disputed them, that the price of

agricultural implements, save for the reduction of the sales tax—and even then the full amount was not given—has not been decreased.

Mr. McKAY: Mr. Speaker, I should like to ask the hon. member if he has read the report of an agricultural commission appointed by the Ontario government in 1924 on the prices of agricultural implements?

Mr. STANSELL: I have not the report before me.

Mr. McKAY: My hon. friend will find—

Mr. STANSELL: What is your question?

Mr. McKAY: The Massey-Harris Company made a report to this commission that on twelve farm implements there has been a reduction of $57.55, and the Cockshutt Plow Company report that on fourteen agricultural implements there has been a reduction of $295.75. My hon. friend can have the report. It was published a few days ago.

Mr. STANSELL: I have not read the report as the hon. member gives it, and without knowing anything about it I am unable to answer his question. But the very best statement I have heard on the point was that made by the whip of the Progressive party, that one implement, a binder, had been reduced by $15.

Mr. McKAY: There is information on all agricultural implements.

Mr. STANSELL: That reduction represents just exactly the sales tax and no more, and in the case, just cited, of twelve implements with reduction of $57 the same is true. I am not speaking of the removal of the sales tax. I say that the reduced price of farm implements due to the reduction of the tariff has not materialized, and therefore the farmer has not benefited. But even if it had materialized, there is another article of manufacture which in my family represents a substantial expenditure, that is boots and shoes. Some hon. members desired a reduced tariff on boots and shoes; they did not get it; there was a reduction of the sales tax I believe. There is a very high duty on boots and shoes compared to implements, but what I am concerned about is the actual price paid by the purchaser of these goods when he goes to the retail store. I have found by actual experience that I am buying boots and shoes at a greater proportionate reduction now than I am buying agricultural implements at, and yet the customs tariff has not been reduced. I find by a study of Eaton's spring catalogues for 1924 and 1925— and I think most hon. members will agree that this is pretty good authority—I find that on about half a dozen lines, such as shoes for men, boots for lumbermen and labouring men, and ladies' shoes, there is a reduction in the prices I am paying of from 11 to 16 per cent, and the same holds true in the retail stores. So that substantially the consumer has enjoyed a greater advantage in the reduction of the price of boots and shoes, on which there was no reduction of tariff, than he has received in respect of agricultural implements, on which the tariff is nearly all taken away. In addition to that, as I have said, manufacturers of raw material have suffered very seriously.

Another thing we have heard a great deal about is fertilizer, concerning which figures were given the other night. It had been shown that there was a widespread demand that fertilizer be placed on the free list, and when action was taken in response to that demand the result was that most of the factories ceased operation, and if I wished to buy fertilizer this year I would pay more for it than I did a year ago. Again I say, who got any benefit? The country lost $52,000,000 in revenue; the labourer lost his job; the capital invested in industry was either greatly depreciated or lost and no one got any substantial benefit.

Some statements were made to-night by the hon. member for North Huron (Mr. King), to which I wish at this stage to make reference. I give the hon. gentleman credit for presenting figures that were correct; I have no reason to dispute them. I also give him credit for being absolutely sincere in the deductions he drew from those figures. But in my judgment, and I am sure in the judgment of this House, he was entirely wrong in his conclusions. The figures had reference to the comparative protection in Canada and the United States, and he showed that Canada was very much more highly protected than the United States because Canada collected more per capita in customs taxation than the United States did. Well, the facts are so clear that I am surprised that the hon. member did not understand the situation. I will try to point out what the real condition is. In many lines of goods the United States tariff is twice or three times as high as ours, so high that it is almost prohibitive and outside goods are largely shut out; therefore the people of the United States buy home manufactured goods. If that is a desirable condition, then I say let us try the same thing in Canada.

Mr. HODGINS: How do they collect such a large amount of duty if the goods are shut out?

Mr. STANSELL: Goods are not entirely shut out because they certainly collect quite a lot, but if their tariff was higher they would collect less. The fact remains that they collect less than we do per capita because they have their tariff so high that it shuts out very many lines. I do not say it shuts out everything, but it keeps out so much that they are not paying as much as we are per capita in customs duties. Our tariff is so low that we are being encouraged to buy from foreign countries. The result is that in the last ten years we have had an unfavourable trade balance with the United States amounting to about $2,000,000,000. I know it is a favourite argument of hon. gentlemen to my left—and they are perfectly sincere—that if you sell you must buy; that there must be international trade. That is true, but it does not mean that you must buy things that you can produce at home. If a farmer operated on such a system as that there would only be one place for him and that is the poor house. Let me point out that you can buy a bank balance; you can buy life insurance; you can buy a competence for old age, just as you can buy potatoes, eggs, butter and other things of that kind. It is the part of wisdom for every farmer to sell those things that he can produce and sell at a profit and to buy only those things that he cannot advantageously produce himself, and, as far as possible, to secure for himself some of the comforts in the way of insurance, a competency for old age or a bank balance.

What have we been doing in respect to our trade with the United States? We have had an adverse balance of $2,000,000,000 in ten years; what have we done to offset that? We have gone over there and borrowed money. Had we not followed that system of borrowing money our dollar would be very much below par to-day. The borrowing carried out by the Minister of Finance on the New York market did much to stabilize the value of the dollar, but it does not justify our purchasing in the United States goods that we could produce at home, nor does it justify an adverse trade balance with the United States from year to year. So long as we do that we are encouraging the United States to take a mortgage on Canada's future to the extent to which we allow that adverse trade balance to accrue.

I know that to some the word "protection" has a disagreeable sound. But protection is a very good thing when it is applied to insurance against fire; it is a very good thing as applied to the home. It costs something, but we think we should have it. National protection is just as vital to the nation as home protection is to the home, and the quicker we Canadians realize this and institute a proper national policy, the better it will be for us. We do not believe that adequate protection can do everything; there are many other factors that must be taken into consideration. But we must view all these questions in a national way. We must practise some real national unity instead of just talking about it; and one of the first essentials is so to protect ourselves that so far as possible we can supply our own labourers with a job and not force them to go to the United States to get the employment they should get here.

Somebody will ask me right away, how can protection be of any benefit to the farmer? Well, I am advocating it, and I am a farmer; I think it is of some benefit. I will admit for the sake of argument that it may not appeal quite so much to the western farmers as it does to the farmers of Ontario. But should Canada's immigration increase, her population be augmented and her factories start to operate at full time as the result of the application of sound policies, I will trust the farmers of Ontario and of Canada as a whole to get their share of that prosperity. Anyone who thinks that the general enhanced prosperity will be of no benefit to the farmer is sadly mistaken. When the men have employment, when the factories are running full time; when development has taken place in our mines and our other resources, a buying power is created; a market is opened up for milk, cheese, butter, eggs, wheat and everything the farmer produces, and there will be no doubt about whether such a condition will benefit the farmer.

I am sorry the hon. member for North Huron (Mr. King) was not in his seat when I was answering his argument about customs duties in Canada and the United States. At the risk of repetition I should just like to make the point again. He said that protection was higher in Canada than in the United States because less was collected in the United States by way of customs duties than in Canada.

Mr. KING (Huron): I stated that it cost more per capita in Canada for protection than it did in the United States.

Mr. STANSELL: Yes, there is no misunderstanding. The reason for that is this: We have not nearly so high a rate of protection or of customs duties as they have, and the result is we are continually buying from foreign countries. But with the Americans

the rate in many cases is so high that with the exception of goods which they simply must have, they produce their requirements within their own country, and do not import. Therefore the rate of customs duties is not so high per capita because in many cases the tariff is almost prohibitive. If ours was equally as high, the result would be the same. If that is a happy result, we can obtain it in the same way that they do.

Mr. HALBERT: The hon. member said a few minutes ago that if the farmers bought away from home what they could produce at home for themselves, they would soon land in the poorhouse. Now is it not a fact that over ninety per cent of the farmers to-day are buying their butter instead of making it at home, because they can get it cheaper? It works the same way with implements or anything else.

Mr. STANSELL: That does not at all conflict with the statement I made. I said that the farmer who deliberately adopts the policy of buying to the amount of what he sells, could buy other things such as life insurance and provide for his old age. I said that it was better to produce a little more at home than to follow the mistaken policy that you must purchase an equal amount with what you sell. As to the question of butter, I am not quite prepared to accept my hon. friend's statement as correct. In fact, a great many of us manufacture our own butter because we like it made at home; we think it just a little better than we can get anywhere else. I do not think it would do any harm if a great many more of the farmers followed that policy.

There is one other remark made by the hon. member for North Huron (Mr. King) to which I wish to call attention, and that is with regard to some cattle, some five or seven I forget the exact number, which had been marketed, he said, and brought only $57. The farmer claimed that that showed something was wrong. Something certainly is, and I will tell you what it is. I am going to take an illustration from the Farmers Advocate, which I am sure all my Progressive friends will consider a reliable journal. It refers to conditions in Alberta, which will be much more fair for the purposes of argument than if I cited an Ontario case. It says that a farmer marketed twenty-five steers on the St. Boniface or Winnipeg market and received $3,522 for them. Now with conditions as bad as we have been told about, these steers brought about $133 each. They brought $7.35 per hundred pounds on the Winnipeg market. If they had been sold on the Toronto market they would have brought $475 more, or nearly $4,000, and that in spite of the conditions which we are told are so bad.

Mr. BRETHEN: What would their value be on the Chicago market at the price quoted by the hon. member for North Huron (Mr. King)?

Mr. STANSELL: I do not know. I am only answering the exact statement that was made. I am not prepared at the moment to look up the Chicago quotations.

Mr. BRETHEN: A few moments ago the hon. member made the statement that the American consumer did not suffer any by the high tariff against Canada. Now the hon. member for North Huron quoted figures showing that on the Toronto market cattle had been sold for $8; on the Winnipeg market for $6, and on the Chicago market for $12 per hundred. Does the hon. member say that the United States consumer did not suffer by the difference?

Mr. STANSELL: I would have to know whether they were exactly the same class of cattle sold in each case. I was simply taking the statement made by the hon. member for North Huron as to the unsatisfactory returns cattle raisers were receiving. He said that five or seven cattle, I forget the exact number, had been sold for $57. I am pointing out that at the very same time another farmer sold 25 cattle for $3,500, and that he could have obtained nearly $4,000 for those 25 cattle on the Toronto market. The reason is that one man shipped first-class cattle, and the other did not. The man who shipped first-class cattle, in spite of the fact that conditions are not as good as we would like to see them, received a good return. The other man shipped half a dozen cattle and got about $10 apiece for them. I never saw the cattle in question, but they could not have been fit for market or they would have brought more money. There is one lesson to be drawn from this. Just as our manufacturers, if they want to get a good price, must produce good goods, so the farmers, if they want to get a good price for their cattle or their butter or any other of their products, must produce a good article. While prices are not as high as I would like to see them, I believe that the farmer has passed the worst turn, and that things are bound to improve a little bit from the farmer's standpoint. Conditions are not so bad after all when we find prices like this being paid. This is not a specially prepared case, but is just an ordinary statement referring to Alberta cattle shipped and sold on the St. Boniface market.

Therefore the one thing necessary is for us to adopt a policy of Canada first. Surely it is our duty to look after our own nation, rather than look after the American nation or any other nation in the world, and until we do, Canada will not have the prosperity that she is entitled to and that she needs. I do not admit for one moment that an increase of customs tariff must mean an increase in the price. What we do want is a job for our workmen and lower costs, but we shall never get that happy result if we always send to some other country for the things we might very well produce at home. Let us as members of this House and as citizens of this great country, with the resources we hear so much about, forget some of the little things and get busy on a national policy, practise national economy, and work for national unity.

I sympathize very much with the aims of hon. members to my left, and I was glad to hear the prophecy of the hon. member to whom I have just referred as to the length of time the Progressive party will live. I hope it will live a great length of time, and that its present leader will lead it providing he adopts a sound fiscal policy, for I believe he is sincere. Undoubtedly the hon. member for Brandon honestly desires the welfare of all Canada but he is on the wrong track, the policies he would like to put in force are mistaken ones; and I would urge him and his followers to consider seriously this question in the light of national necessities, and see if there is not something else that the Dominion of Canada wants at the present time rather than a reduction of the tariff. I have a high opinion of the party to my left and of their leader, but they are mistaken in their policies, I firmly believe. They are riding on a political New York Central and are travelling in a circle. Let them all get on the Canadian National line and get somewhere.

Mr. R. M. GENDRON (Wright) (Translation): Mr. Speaker, it is with pleasure that I rise to briefly comment upon the budget which is, at present, being discussed in the House. I wish at the outset to congratulate the hon. Acting Minister of Finance (Mr. Robb). Let me assure him that the budget which he brought down has the hearty approval of the people of my county, and it is very favourably looked upon by the farmers and consumers, as well as by the lumbermen, for it shows hardly no change from the budget of last year.

I do not intend, Sir, to thresh out the whole subject in hand. I shall limit myself to questions which particularly affect the county I represent; I shall speak of the Gatineau valley, that beautiful part of my district which is almost all comprised in the county of Wright.

The Gatineau river district is rich in natural resources as yet undeveloped. I think it is proper to point out to the House the number and value of its water powers, which could, if they were developed, produce electric power in abundance and feed a number of mills as well as supply power within quite a large radius, including the city of Ottawa. Its shores are covered with forests, rich in pulpwood and lumber of which it is difficult to give an estimate. Unfortunately capital is needed to take advantage of this natural wealth and properly open up this beautiful valley. If our water powers were exploited, to establish pulp mills, for instance, we could manufacture on the spot our pulpwood, convert it into pulp or paper, instead of exporting the raw material to the United States as it is done to-day, we could thus create a number of industrial centres, where the farmer could market with profit his farm products, as well as his pulpwood.

Allow me, Sir, to dwell a few moments on our immigration problem. It is a question of the utmost importance to Canada. I wish to draw the attention of the hon. Minister of Immigration (Mr.Robb) to the fact that there exists on the Gatineau river a locality which would lend itself admirably to the establishment of settlers; I mean Maniwaki. There is in that part of the country an Indian reserve of considerable extent, containing excellent lands upon which live about sixty Indian families. This reserve should be thrown open to settlers, not only to Indians, but also to Canadians, both French and English, who would take advantage of such a measure to settle in that locality. I point this out so as to convince the hon. Minister of Immigration that a great number of Canadians returning from the United States could settle in my county and thereby increase the population as well as the revenues—this would be of great import to my region. As my hon. friend, the member for Muskoka (Mr. Hammell) stated last session, also this session, we have in the Gatineau valley, a very attractive resort for tourists who are fond of hunting and fishing, also for those who love the forest, these parts are very healthy; the greatest impediment to the travelling tourist comes from the country roads, or what is known as the Ottawa road, which is entirely unfit for automobiles. I trust that with the Dominion

government's help, acting in concert with the local government and the municipalities, we shall soon have good roads—a very urgent need for that part of the country.

Mr. Speaker, it is a pressing matter that the government should build a post office in the village of Maniwaki, where I reside; it is an important question which should be given immediate consideration. This village is now divided into two parts, and to accommodate the public, we must have a post office in the centre of the village. I have already placed this request before the Minister of Public Works (Mr. King), and the matter was laid aside for the present, as a measure of economy. I quite realize that we should practise economy to a certain extent, but we must not neglect legitimate and necessary needs. My request is reasonable and justified and I trust that it will be granted as soon as possible.

Mr. Speaker, I wish to make a few remarks upon a question which I hope will be given some consideration. The northern part of the Gatineau valley comprises a few townships, and an unsurveyed track of land; in the proximity of said townships, there exists an ideal spot for a national park. Game is plentiful; we find the moose, the deer and all fur animals in great numbers. The beautiful lakes which adorn this territory are filled with fish, and as the city of Ottawa will one day become a large centre, I trust that my hopes will materialize and the erection of a national park in this region will bring forth to the Gatineau valley, the cities of Ottawa and Hull and their surroundings, a considerable revenue accruing from the United States tourists.

I wish to express my views on a most important matter which concerns my county, the question of the pulpwood embargo. I see no need, at present, to adopt this measure. The settlers who happen to have a few cords of pulpwood should have the right of selling it wherever they think fit, and at the best price possible. The notion we have about the country being denuded of pulpwood within a few years, is a false one. What constitutes the real problem, are the forest fires which destroy, each year, far more wood than what is sold. I would suggest to the government that they help the provinces to prevent and fight the forest fires, and that they lay aside the question of embargo, or the levy of duties on the exportation of pulpwood. I have a full knowledge of this question as I have been in the business all my life. Let us protect our forests against fire, let us use precautions when chopping down the trees, and we shall have wood for a long time to come; future generations will benefit from it just like the present generation.

Mr. J. J. THURSTON (Victoria, Ont.): Mr. Speaker, I am sorry that I am unable to make any comment on the speech of the hon. gentleman (Mr. Gendron) who has just preceded me. I would be in a better position to do so in two or three days' time when I had the translation before me.

As the House is enjoying what might be termed its semi-annual talk-fest, and feeling that I have in the last three years established the record of one who would rather see a little action and a few results than the placing of a jumble of words on our records, I may be permitted to occupy a few minutes of the time of the House in offering one or two suggestions that, possibly, may be of some worth, although I have my doubts as to whether they will be adopted very readily by the House. I am convinced after spending three sessions in this chamber that if a messenger were sent down from the realms above with a message of advice to this House, if it were found out that he was a Liberal we could be assured the Conservatives would oppose anything he would suggest; if he were a Conservative the Liberals would readily oppose anything he might bring forward; and if he were a Progressive which would be almost sure to be the case, he would be certain to be opposed by both the old parties. In spite of that I am going to take up a few minutes in submitting my views.

Theoretically, we are debating at this time the amendment to the budget proposed by the ex-Minister of Finance (Sir Henry Drayton), although I think it will be generally agreed that practically all the discussion so far has been on the budget itself. I propose to vote against the adoption of the present budget, not so much on account of the budget itself as of the proposal to establish a tariff board which has been advanced by the Acting Minister of Finance (Mr. Robb). I do not think it is necessary for me to repeat the reasons that have been given by other hon. members as to why the establishment of such a board should be opposed excepting to say this: Until we first agree in the House and in the country as to what the fiscal policy of Canada should be we are making a move in the dark in establishing that board. The board should first be instructed as to what action we want it to take, or what goal we wish it to head for.

I also propose to oppose the amendment of the ex-Minister of Finance. I can hardly give reasons why I should oppose it any

more than I could give reasons why I should support it, beyond stating that there is absolutely nothing to it—it is a mere jumble of words. This year's budget to my mind, after learning what I have been able to learn of the history of the Liberal party, is in no sense a credit to a Liberal government. To my mind it is a protectionist budget, and there are very few changes in it. The reason for some of those changes I do not know, unless they were included in order to take up space. One item in the budget imposes a tax of six cents on gas, but on looking up the trade returns I have not been able to find that we import any. I do not know, therefore, what this item was inserted for unless it was to make the budget look a little larger.

Last year when I made a few remarks on the budget I predicted that Liberals throughout the Dominion—those who had for years back been Liberals and knew why they were or thought they knew,—would be delighted with it; that their hopes which had been deadened—and you could not blame them for feeling that way—would be revived, and that they were justified in thinking, at least, that a true Liberal party had come into being. I submit that I was correct in making that prophecy; and the visits of the Prime Minister to points throughout the Dominion during the recess must have shown to him that the people appreciated a budget which was Liberal in character However, I predict now that the present budget is going to have a very strong tendency towards killing the revived hopes of the old Liberals, and that there will be a falling off of Liberal stock throughout the Dominion, particularly in the province of Ontario. The falling off in Liberal stock will be something similar to the falling off in Conservative stock owing to the action of the present Prime Minister (Mr. Ferguson), in promising at one time to enact certain legislation and then turning right-about-face and enacting legislation altogether contrary to the express wish of the people after spending upwards of a million dollars to find out what that wish was. I think I would be quite justified in predicting to-day that if the Ferguson-Nickle aggregation made an appeal to the province of Ontario for re-election it would be defeated. This action of the present government in killing by this budget the revived hopes of the Liberal party throughout Canada is going to have a very harmful effect on the country. It is going to increase the lack of confidence which the electors are beginning to feel in general in our governments. This is most regrettable. That lack of confidence, particularly in the two old parties, is very great, and we cannot well afford to do anything that will increase it, because we come to a very dangerous position if we ever reach the stage where the people themselves have no confidence in any government, and that is where we are rapidly travelling by playing fast and loose with our promises to the electors.

I propose to make a few remarks in connection with the amendment offered by the ex-Minister of Finance. As I said it is nothing more or less than a jumble of words. It is a joke really, and I do not know why the Conservative party, which has claimed for years to have been protectionist, and to have believed in protection and higher protection all the time, should neglect to state their belief at the present time, and I take the amendment introduced by the ex-Minister of Finance as expressing the thought of the Conservative party. They formulate their objections by saying that they do not agree with the financial statement. The hon. member for Vancouver Centre (Mr. Stevens) when he was speaking gave the House the inference that it was quite customary for governments previous to elections to bring in what might be termed padded statements to the House, or to give padded financial statements to the country. Then again the Minister of the Interior (Mr. Stewart, Argenteuil) presented a statement as coming from the officials of the department who have prepared every financial statement for years, and said that the statement this year contained conclusions arrived at by the same method as all previous statements. I suggest, Mr. Speaker, that until such time as the official opposition give proof that the Minister of the Interior was wrong in his statement, they have absolutely no justification at all in opposing the present budget.

In spite of the fact that the official opposition neglected stating in the amendment their belief in protection, I think we are justified in coming to the conclusion, from the remarks of the different hon. members of that group who have spoken, that they still believe in protection. I am not going to debate the rights and wrongs of protection and free trade, and so on, but I think the time has arrived when the House and the people of the Dominion as a whole might rightly ask themselves the question, what is meant by protection? I am satisfied if the House and the country as a whole once paused to consider just what was meant by protection, and came to the conclusion that they would be forced to come to, they would forever refuse to have anything to do

with it. I should like to ask first why do certain individuals or individual companies appeal to the government from time to time for protection? From what do they wish to be protected? Is it on account of our rather severe winters, or because we have cold winds, that they want us to erect a windbreak to shelter them? Is that the protection they desire, or just what is it? I submit that after studying the tariff policy or the tariff schedule which we have at the present time one is convinced that what is really meant by protection, or an appeal for protection, is nothing else than a request for financial assistance that an individual or a firm makes. If that is the case, if it is financial assistance that some individual or corporation is asking from the government, where does the government get this financial assistance or bonus the companies want? The reply can only be, "from the pockets of the taxpayers of the country." If the people throughout the Dominion would for a few moments consider what is meant by protection and what the result of it is they would forever turn down the protective policy as a fiscal policy for our Dominion. I would also suggest that it would be only fair and honest for those who believe in protection and use it as their platform, to state clearly to the public that they propose to levy taxes on all the people for the sake of giving assistance to some individuals. If they will do that at the next election—and I hardly think they will—I will be glad to meet them in any constituency—I do not care whether it is in the heart of Montreal or Toronto—and debate the question. I would be particularly pleased to meet them in my own constituency, and I would face the electors at any time to discuss the question as to whether we should increase the taxation on all of them for the benefit of a few, who possibly did not live in the constituency at all.

I dislike prolonging this discussion, which I might say is not a debate, but simply a talk-fest. However, if I were permitted to enter again into the realms of prophecy, I would predict that the adoption of a protectionist policy at this time by the Liberal government, and the failure of the old Conservative party to mention their protectionist principles in the amendment, simply mean that within twenty to twenty-five years from now there will be no such thing as a Conservative party in existence. The Liberals, through the actions of the present government, are rapidly winning the goodwill of the protectionist interests throughout the country. The Progressives, through their determined and continued action are rapidly winning the support of the low tariff or tariff for revenue people throughout the country, so that twenty years from now the Liberals will be the only protectionist party in the Dominion, and the Progressives the only party in this House or in the country advocating a tariff for revenue only or free trade. My reason for coming to this conclusion is that the protectionist organizations throughout Canada, which are beyond question composed of very shrewd people, are already seeing the folly of having their forces divided, and they are naturally going to abandon the weaker party. That, I think, is conceded by everyone throughout the Dominion to-day to be the Conservative party.

Some hon. MEMBERS: Oh, oh.

Mr. THURSTON: It is conceded that the weaker party of the two protectionist parties is the Conservative party on account of the extremely distasteful record of the last administration. That was established by the Canadian people at the last general election. Therefore, the protectionist organizations are going to give their assistance to the Liberal party, and that will cause the dissappearance of the Conservative party altogether.

Some hon. MEMBERS: Oh, oh.

Mr. THURSTON: I am glad that my prediction seems to be received in such a favourable frame of mind by so many hon. members. There is in the amendment moved by the ex-Minister of Finance (Sir Henry Drayton) nothing in connection with protection and very little else. There was given to the House one thought which I claim is worthy of some consideration. This thought was not stressed very strongly by the ex-Minister of Finance in his remarks, but when I was talking to him afterwards he told me that it was really his main reason for speaking. It was: With our present system and scale of managing our country's finances, where is Canada going? That is a question that every Canadian citizen from the Atlantic to the Pacific to-day is justified in asking himself. I have thought of it at different times in the last few years, and I want to give to the House just a few figures, to let the House consider for a few moments what they mean and then to ask themselves: Where is Canada going? The figures are as follows:

Year	Population of Canada	National debt
1870..	3,454,000	$115,993,706
1880..	4,215,000	194,634,441
1890..	4,793,000	286,112,295
1900..	5,322,000	346,206,980
1910..	6,917,000	470,633,046
1915..	7,862,078	700,473,814
1922..	8,966,834	2,902,347,137

These figures are taken from the Canada Year Book of 1922-23. They show that from the year 1870 to the year 1915 our population increased by 4,480,078, but our national debt increased by $584,480,108. That is before the debt of the war was added on to our national debt. I would ask hon. members and the country at large: Taking this record from 1870 to 1915, where is Canada going? We must admit that at our present scale of managing our country's finances, we are rapidly, yes too rapidly, heading for national bankruptcy. It has been stated to me by different Canadians, by some members of parliament, particularly of the two old parties, that what we need in this House is a good strong government of either of the two old parties; that we have not a strong enough government at the present time, and so on. I would submit that the record which I have just read is nothing other than the record of the two old parties and admittedly strong parties in the past. Therefore, when either of them, in this House or on public platforms throughout the country, criticize the other on account of our low population and our great national debt, we can fittingly ask them why they did not do something when they were in office to remedy conditions. Both of them, to my mind, have failed.

If we, in considering the statistics that I have just given, are in any way, shape or form Canadians, we must ask ourselves: Why is the present situation in Canada such as it is? In doing so, the first thing we must ask ourselves is: Who are the Canadian people? If we look back as to who our forefathers were, is it right that we should make such a failure in managing our country's business, our public affairs as we have done? If we stop to ask ourselves who we

12 m. Canadian people are, we must admit that in making the failure that we have made, we have proven ourselves false to the trust that our ancestors placed in us in giving us the heritage that they did to manage, also false to our children and children's children that are to follow after us. When we ask ourselves who the Canadian people are, we must admit that if we were true to those old ancestors, we would have made a success of it instead of a failure. Our forefathers came from the British Isles and France, the leading countries of the world at the time. It was well known that none but the strongest need attempt the trip, for it took from ten to twenty weeks to cross the Atlantic in those days. We also know that the physically strong class of citizens are generally the strongest mentally, whatever nationality they belong to. Along with this hardy type we have a climate that has a tendency to develop the very best traits of any race. When we consider these facts we are puzzled to know just why it is that in the past we have made a failure in the handling of our public affairs. I would offer this suggestion for the consideration of our people, that the reason for this failure is that we have never tried to manage our public affairs; on the contrary; we have devoted practically all our energies to advance the interests of either one party or the other to the neglect of the national interests. I am going to give a few illustrations in support of this suggestion which I think will prove to the House and to the country wherein we have made these blunders. It has been customary in our financing to float a loan either in the foreign or domestic money market for, we will say, a hundred million dollars, repayable in ten, twenty or thirty years, as the case may be, but with absolutely no provision to meet that repayment when it becomes due; on the contrary, later on we simply borrow another hundred million dollars to refund the former loan. So long as we continue that practice we are bound to get more and more in debt. I do not know why we follow that improvident practice, for it is absolutely contrary to the practice followed by private individuals in managing their own affairs. For instance, a farmer will borrow $5,000, and there is incorporated in the mortgage the option of paying off a certain amount of the principal periodically so that at the end of the mortgage term he has not only paid his interest but the principal as well. If he did not do this he would in a very short time be at the point of bankruptcy. Therefore I would suggest that if Canada continues floating loans without making provision for their repayment at maturity, we are bound to become more and more involved financially.

Another thought I would express is this. In the past it has been frequently the practice to build public works that were not absolutely necessary but were undertaken in the interests of whichever party happened to be in office. Let me give a few illustrations. About two years ago the present government brought down an estimate for the erection of an elevator at Halifax. I think it was pretty generally felt at the time that the elevator was not needed, for we were not utilizing all the local elevator space that was then available. But there was to be a by-election down there, and I think everyone was firmly convinced that this vote was for the purpose of helping to elect a supporter of the government. I do not think we need concern ourselves very much whether the vote accom-

plished the purpose which the government had in view but the very fact that the vote was passed increased our debt by that amount.

Mr. MACDONALD (Pictou): Will my hon. friend permit a question? Does he believe that our national ports should not be equipped with decent facilities?

Mr. THURSTON: I have no objection at all to their being equipped with, I think the minister said, decent facilities; but I do object to their being cluttered up with too many "decent facilities."

Mr. MACDONALD (Pictou): Does my hon. friend not know that Sir Henry Thornton recommended that this elevator should be constructed? And Sir Henry ought to know.

Mr. THURSTON: I am not aware that Sir Henry Thornton recommended it, but I think the charges made in the House at the time by the official opposition that the vote was put forward for election purposes was not very successfully refuted by the government.

Mr. MACDONALD (Pictou): My hon. friend cannot escape in that way What does he say to the proposition: If Sir Henry Thornton did recommend this elevator, is it not self-evident that it was necessary?

Mr. THURSTON: I am not worrying whether Sir Henry Thornton recommended it or not. Has that elevator space been used?

Mr. MACDONALD (Pictou): The elevator is in course of construction.

Mr. THURSTON: Is the present elevator space all utilized now?

Mr. MACDONALD (Pictou): The present elevator space does not reach the terminals which were constructed there some years ago, and it was absolutely necessary to build this elevator.

Sir HENRY DRAYTON: Is that a speech?

Mr. MACDONALD (Pictou): I am answering a question.

Sir HENRY DRAYTON: It is incorrectly answered.

Mr. MACDONALD (Pictou): Do not worry. I have not made very many speeches.

Mr. THURSTON: In spite of what the minister states, I think it was generally felt in the House and in the country that that vote was not altogether necessary. But I am going to leave that vote. It does not matter for the moment whether the elevator was necessary or not, but it cannot be denied that the national debt was increased by the amount of that vote. I think it was also clearly established during this parliament that a few years ago the late administration sponsored a vote for the building of a dry dock at Victoria, British Columbia. I think the public generally at that time knew that a dry dock should not be built at Victoria, that if any were needed on the coast it should be built on the mainland.

Mr. DICKIE: No dry dock has been built at Victoria.

Mr. THURSTON: Would the hon. member tell me whether any money was spent on the building of a dry dock or the purchase of a site for one? I think the records will show that a vote was passed for the building of a dry dock on Vancouver island. In spite of what the hon. member says, it was believed by the whole country and by this House that the main purpose of that vote was to assist the government in electing its supporter in the by-election which was then about to take place. We know this has been the practice for years past. What was the Grand Trunk Pacific but a political football? The Trent valley canal was another, the Hudson Bay railway was another, the Lindsay arsenal was another. We have had scores of such cases throughout the country.

Mr. GRAHAM: Would you like us to shut up the Trent canal?

Mr. THURSTON: It cannot be shut up. The point I am making is this: that ever since confederation there have been schemes such as I have mentioned—votes passed in this House involving the expenditure of huge sums, nothing more or less than for political purposes, but with resulting increases in our national debt. I do not blame parliament for doing it; I do not blame the government of the day, but I do blame the Canadian people for falling for these bribes. The Canadian people are or should be recognized as shrewd, cautious and careful, yet they have accepted these bribes every time. Why do they do it? Why are they bribed in this way? The only conclusion we can come to is that the Canadian people have been schooled to think that the money that is in the public treasury does not cost anything; that it belongs to someone other than themselves. I do not know whether they think it came out of the air, but the feeling seems to be that if they can get the government to spend money they need have no concern about how it is going to be paid back. It is the duty of every elected representative of the people, I care not whether in the federal parliament, in provincial legislatures or in municipal councils, to emphasize

this point to his constituents; to impress upon them the fact that every dollar that is taken out of the public treasury must be replaced by the people themselves. If the citizens at large knew that and felt it, there would be a great deal less expenditure by all our governments from the municipal councils up. I am satisfied, Mr. Speaker, that it will be years before we accomplish this, but the idea will, I am sure, be encouraged by members of parliament and will be dwelt upon at the next general election.

We had the remarks of the Minister of Agriculture (Mr. Motherwell) the other night in connection with the Hudson Bay railway. He was very careful to leave himself several tracks to get out on when he gets on the different platforms throughout the western constituencies.

Mr. MOTHERWELL: What was the matter with the statement I made?

Mr. THURSTON: Nothing at all—that is the trouble. In the constituency of Victoria, Ont., it is being stated by my opponents just now that I was the means of closing up the Lindsay arsenal when as a matter of fact it was closed a year before I was elected. I did not know I was so influential. They are stating also that if the Conservative government is elected the Lindsay arsenal will be run as an arsenal again, full blast. I would like to ask the ex-Minister of Finance (Sir Henry Drayton) whether he would not be willing to make the statement officially and give these people some authority for it. Will he not say that the Quebec arsenal will be closed and the Lindsay arsenal opened? I never favoured the operation of the Lindsay arsenal as such and I never will. In the first place, we do not need it at all. In the next place, if it is to be run as an arsenal to comply with the British North America Act it will require another half million dollars to rebuild it. It is not built to comply with the British North America Act; and the clauses in that act are the only reason for our having an arsenal at all in Canada. The Quebec arsenal was built to comply with those requirements; the Lindsay arsenal is not. I am not so much concerned by the fact that some of the politicians of the county of Victoria are circulating these reports; what bothers me is the fact that the people are listening to them. There is something wrong when that is the case. If we are to be the people we should be, it is our duty to see that anything of that nature is straightened out and the people educated to the fact that these things cannot be done without a considerable expenditure of money.

In conclusion, let me say that if we are to be true Canadians we must change our system of financing and adopt what is commonly referred to as the sinking fund system of floating our loans. When we float a loan, let us provide at the time, for its payment when it becomes due so that we shall not be continually piling up debt, a procedure which is unfair to those who are to come after us. Further, let us impress the people with the fact that public moneys cannot be spent without the imposition of taxation to make them up again.

On motion of Mr. White the debate was adjourned.

On motion of Mr. Graham the House adjourned at 12.30 a.m. (Tuesday).

Tuesday, April 21, 1925

The House met at three o'clock.

OCEAN SHIPPING RATES

Mr. S. W. JACOBS (George Etienne Cartier): I beg to lay on the table of the House a petition from the Montreal Dairy Produce Association in opposition to the Petersen shipping subsidy.

PRIVILEGE—MR. JOHNSTON

On the Orders of the Day:

Mr. J. FRED JOHNSTON (Last Mountain): Mr. Speaker, I rise to a question of privilege. I wish to draw attention to an article appearing in the Financial Post of April 17, which reads as follows:

> Ottawa had an interesting incident recently. The wheat market was nervous in keeping with the position of the King government just at that time. Just a few days before its defeat was saved by the casting vote of the speaker. Another important division was at hand. A preliminary count by the whips showed 30 Progressives missing. Their presence was needed to save the government. Some one volunteered the information that they were down town at a brokerage office watching the wheat market, in which they were said to be heavily interested. The name of the house they were at was not known, but its location was. An auto was hastily commandeered and a bareheaded member went after them. He rudely disturbed their mental deliberations of whether wheat would go back to $2 or not, by a summons to the house and returned to Parliament Hill with a dozen farmer-members hanging on the side of the car. The government was saved.

Some hon. MEMBERS: Oh, oh.

Mr. JOHNSTON: I do not wonder that hon. members laugh. On behalf of the Pro-

gressive members of this House I wish categorically and emphatically to deny the statements contained in this article, the intent of which, I am sure everyone will agree, is mischievous. The statements are both misleading and untrue and the conclusions or inferences are foundationless and false. I cannot but express surprise that a paper such as the Financial Post should lend its columns to the publication of such an article.

PRIVILEGE—MR. MANION

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I also rise to a question of privilege. So many false statements have been made about me in this debate that I am going to correct one of them in the hope that in the future, when hon. gentlemen are criticizing me, they will stick somewhere near the truth. In the speech of the hon. member for Chambly and Vercheres (Mr. Archambault) yesterday, he made this statement, according to Hansard—page 2201.

> If my memory serves me right it was in 1912 and 1913 that the hon. member for Fort William and Rainy River, through the influence of Sir Wilfrid Laurier, was chosen, not as the Union candidate, but as the Liberal candidate in his constituency.

The hon. member showed the same ignorance of my affairs in that statement that he showed on every other topic he discussed yesterday. That statement, Sir, is false in every line and detail of it. Sir Wilfrid Laurier had nothing whatever to do with my nomination, in any shape, manner or form. I was nominated at that time by the same Liberal party in Fort William which in 1917 united with the Conservative party to elect me in opposition to Sir Wilfrid Laurier. In fact, I was nominated, not in 1912-1913, as the hon. member states, I was nominated in 1915 when I was serving with General Castelnau's army, part of the French forces, in a humble position—serving that gallant France which my hon. friend is always so willing to claim as the home of his ancestors but which he was not quite so willing to serve when she was fighting for her very soul.

Mr. ARCHAMBAULT: Will my hon. friend allow me a question? Is it not a fact that he was first chosen as a straight Liberal candidate at that time, not a Unionist candidate?

Mr. MANION: If I am permitted to answer, Mr. Speaker, that has nothing whatever to do with the question.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: The point is that I was chosen by the Liberals, not, as my hon. friend stated, by the influence of Sir Wilfrid Laurier or anybody else; I needed no influence; perhaps he does.

Mr. THOMAS VIEN (Lotbiniere): I rise to a point of order, Mr. Speaker. The hon. member for Fort William and Rainy River (Mr. Manion) in rising to a question of privilege cannot cast an aspersion on any hon. member of this House. He stated that the hon. member for Chambly and Verchères (Mr. Archambault) was not ready to defend France, the home of his ancestors. I say that that is not a matter of privilege and if my hon. friend would like to open the discussion when we are free to meet him on this ground, we shall be quite willing to meet him. Therefore I request, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. VIEN: I am talking now on the point of order. I move, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order.

Mr. VIEN: I am speaking to the point of order. I contend now, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. Let the hon. gentleman state his point of order.

Mr. VIEN: I contend that the hon. member is not in order in casting a reflection upon another hon. member of this House, and that that part of his remarks should be expunged from Hansard.

Mr. MANION: The hon. member for Chambly and Vercheres cast reflections upon my character in his statement, which was false not only in that but in every other assertion he made about me.

Some hon. MEMBERS: Order.

Mr. VIEN: Mr. Speaker—

Mr. ARCHAMBAULT: You admitted I was right.

Mr. SPEAKER: I would ask hon. members on both sides to refrain from using such strong expressions as "false statements." The hon. member for Fort William and Rainy River (Mr. Manion) rose to a question of privilege. He stated the question at issue and he should have stopped at that point and should not have gone into further matters. I hope that the House will proceed to the business and let this old issue of 1915 and 1917 remain in the background.

Mr. VIEN: Mr. Speaker, on that point of order—

Some hon. MEMBERS: Order.

An hon. MEMBER: The Speaker has ruled.

Mr. VIEN: The Speaker has not ruled on the point of order I raised.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I understand that the hon. member raises another point of order. He should be allowed to state it.

Mr. VIEN: The point of order I raised, Mr. Speaker, is that that part of the remarks of the hon. member for Fort William and Rainy River to which I have referred should be expunged from Hansard.

Mr. MANION: May I speak to the point of order? If the false statement of my hon. friend, with respect to me is expunged from the record—

Some hon. MEMBERS: Order.

Mr. MANION: What is wrong with my saying that the statement was false? It was false, and I repeat it. There is nothing wrong about that.

Mr. VIEN: It is not that part of my hon. friend's remarks that I am asking to be expunged. The question is whether or not part of the statement made by the hon. member for Fort William and Rainy River should be struck from Hansard.

Mr. SPEAKER: I think a notice of motion would have to be given before that could be done.

Mr. LAPOINTE: It is just as well to leave it there, Sir.

Mr. SPEAKER: I would again appeal to hon. gentlemen on both sides of the House to refrain from bringing up such acrimonious questions. The House is in a good temper now, and I do not see why it should be again disturbed.

AUSTRALIAN TREATY

On the Orders of the Day:

Hon. H. H. STEVENS (Vancouver Centre): Mr. Speaker, I would ask the Acting Minister of Finance (Mr. Robb) or the Prime Minister (Mr. Mackenzie King)—I don't know to whom I should address my remarks—as to when some definite statement will be made in regard to the Australian treaty or trade agreement. I base my inquiry upon a telegram which unfortunately I have not under my hand at the moment but which I received yesterday. It points out that the trade between Canada and Australia is seriously affected by the anticipation of changes in the tariff, which prevents the conclusion of contracts for delivery of goods and so forth. This uncertainty is interfering with trade and is becoming serious. I wish the Acting Minister of Finance or the Prime Minister could give the House a definite statement on the matter.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend knows that it is difficult to intimate exactly when negotiations will be concluded. I mentioned the other day, in reply either to himself or some other member, that we were still negotiating with the Australian government with respect to changes to be made in the Canadian tariff. The Australian government have made such changes in their tariff as will meet the situation as far as we and they are concerned. There is no signed agreement; there is an understanding that on condition of certain changes being made in the Australian tariff and in our tariff the exchange of goods between the two countries will be subject to the rates so arranged. But until we have reached a point that appears to the government satisfactory with respect to the changes in our tariff we cannot announce a final agreement.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I should like to ask if the Prime Minister has observed a despatch from Australia which appeared in the press about three days ago, and in which the Australian Prime Minister was reported to have stated that Australia had passed the agreement, or whatever it may be called, and that he knew of no reason why there was delay on the part of Canada in completing the arrangement. I did not call attention to the despatch at the time, but it seemed to me inconsistent with the information given the House. Does the Prime Minister think the report was wrong?

Mr. MACKENZIE KING: I think I saw the report to which my right hon. friend refers, but I do not think he is accurate in saying that the Prime Minister of Australia stated he knew of no reason why there should be delay on the part of Canada. What he did say was that so far as Australia was concerned they had changed their tariff. But he must know we are negotiating with his government because cables are passing between

us. I think probably what he meant, if he used the expression, was that from his point of view he rather hoped we would accept the agreements as understood made by his government.

HANSARD—MEMBERS' EMENDATIONS

On the Orders of the Day:

Mr. JOSEPH ARCHAMBAULT (Chambly and Verchères): Mr. Speaker, I wish to draw your attention to something which appears in Hansard of yesterday, and which in my opinion is a breach of the rules and calls for an explanation. I would call your attention to page 2206, where at the bottom will be found the following:

Mr. Meighen: Will the hon. gentleman tell us what else we could have used, how we could have got another rifle?

Mr. Lapointe: Let Sir Arthur Currie tell us.

Mr. Archambault: Ask Sir Arthur Currie about it.

Mr. Meighen: Have your committee and we will ask him, I will assure you of that. The Minister of Justice is not a bit more anxious for the committee than you are.

Sir, I have read the notes of the reporter and I find that the words "The Minister of Justice" were not mentioned. His notes read as follows:

Mr. Meighen: Have your committee and we will ask him, I will assure you of that. He is not a bit more anxious for the committee than you are.

Meaning, not the Minister of Justice but Sir Arthur Currie. I am further informed, Sir, that after the notes had been transcribed they were sent to the leader of the opposition (Mr. Meighen), and that he erased the word "he" and substituted the words "The Minister of Justice."

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, what the hon. member says is quite correct; his inference is quite wrong. The words I used were exactly the words as reported, "He is not a bit more anxious," and so on. The Minister of Justice (Mr. Lapointe) had just interjected a remark, and it was to him I referred. My emendation made clear my meaning. I made no reference to Sir Arthur Currie. However, I am not wanting to intimate that Sir Arthur Currie wishes to have an investigation even now, and if it will please the hon. member I will express right now what I did not intend to say then: I do not think Sir Arthur Currie wants an investigation.

Mr. ARCHAMBAULT: Does the right hon. leader of the opposition admit that he erased the word "he" and substituted the words, "The Minister of Justice?"

Mr. MEIGHEN: Yes; and I may say I observed that the hon. member (Mr. Archambault) had himself made similar emendations of his speech, and quite properly so.

Mr. ARCHAMBAULT: I should like the leader of the opposition to point them out.

Mr. MEIGHEN: I saw them.

Mr. ARCHAMBAULT: But the word "he" clearly referred to Sir Arthur Currie. I will read the transcript again:

Mr. Lapointe: Let Sir Arthur Currie tell us.

Mr. Archambault: Ask Sir Arthur Currie about it.

Mr. Meighen: Have your committee and we will ask him, I will assure you of that. He is not a bit more anxious for the committee than you are.

Evidently referring to Sir Arthur Currie.

Mr. MEIGHEN: Read what went before.

Mr. ARCHAMBAULT: We know why it was amended.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I may say that my right hon. friend did not speak to me and was not referring to me, and he knows it very well.

Mr. MEIGHEN: I protest against the Minister of Justice—

Some hon. MEMBERS: Order.

Mr. MEIGHEN: I think I am the authority on what I said and what I meant, not the hon. member.

Mr. LAPOINTE: I say—

Some hon. MEMBERS: Order.

Mr. MEIGHEN: I do not know what the hon. member is so keen and anxious about.

Mr. LAPOINTE: I am keen for the truth.

Mr. MEIGHEN: I do not think he is a bit more anxious than is the Minister of Justice.

Mr. THOMAS VIEN (Lotbiniere): Speaking on the point of order, Sir, I think that so long as the right hon. leader of the opposition admits that he said "he" the report should mean "he" and nothing else. He erased the word "he" and put in the words, "The Minister of Justice" instead.

Some hon. MEMBERS: Order.

Mr. VIEN: I think that Hansard should be corrected, and that the report should be "he" and nothing else.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I was so struck by the remark of my right hon. friend (Mr. Meighen) yesterday that at the time

he made it I wrote down his words and I have them here on the order paper of yesterday.

Mr. MEIGHEN: Maybe we can cure the whole thing—

Some hon. MEMBERS: Order.

Mr. MEIGHEN: There is nothing to debate.

Some hon. MEMBERS: Order.

Mr. MEIGHEN: What are we troubling about?

Mr. MACKENZIE KING: Both the Minister of Justice (Mr. Lapointe) and myself commented at the time upon the nature of the reflection cast upon Sir Arthur Currie, There can be no possible doubt at all as to what the right hon. gentleman intended by the remark when it was made.

Mr. MEIGHEN: I stand by it.

Mr. ARCHAMBAULT: May I be permitted, Mr. Speaker, to ask for your ruling? The leader of the opposition admits that he never said the words, "The Minister of Justice."

Mr. MEIGHEN: Hear, hear.

Mr. ARCHAMBAULT: He admits that he said the word "he." I submit that he cannot change that word and substitute the words, "The Minister of Justice," and that therefore the word "he" should be reinstated.

Mr. MEIGHEN: Mr. Speaker, it is a rule that what a member intends to say he can make clear in his words. The pronoun "he" may have several references. I say this because I intended that reference to be to the Minister of Justice, who had just before interjected a remark, and not because I wish in any way to get out from under any reference to Sir Arthur Currie. To show that, I have told the hon. member (Mr. Archambault) that I say now what I did not say then, that I do not think even Sir Arthur Currie wants an investigation. I appeal to the government to have an investigation. I will be there whoever else is.

Mr. LAPOINTE: It may be corrected in Hansard to-morrow.

Mr. SPEAKER: I should not like to say that I am between the devil and the deep sea. I believe in the sincerity of the assertions of hon. gentlemen on both sides of the House, and I think the explanation which will appear in Hansard to-morrow will be clear to everybody.

[Mr. Mackenzie King.]

Mr. ARCHAMBAULT: That serves my purpose.

DAYLIGHT SAVING

On the Orders of the Day:

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I wish to ask what the intention of the government is regarding the hours to be observed in this House, bearing in mind the fact that daylight saving time will come into force in Ottawa on 3rd May?

Right Hon. W. L. MACKENZIE KING (Prime Minister): It has been customary, I think and has been found most convenient for all concerned, for parliament to follow the hours observed by the city. That is the intention.

INQUIRIES FOR RETURNS

VALUE OF FARM PRODUCTS

On the Orders of the Day:

Mr. J. L. STANSELL (East Elgin): I should like to call the attention of the government to the fact that on April 7, 1924, a question standing in my name, asking for certain information about agricultural products in Canada, was passed as an order for return. I do not think I can be accused of impatience if I ask when I may expect to receive that information?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend has noticed, no doubt, that the Minister of Agriculture is not in his seat at the moment, but I will direct his attention to the inquiry. I may say that from the way in which questions similar to that raised by my hon. friend have come it looks to me as though hon. members were singling out for their inquiries days when the particular minister concerned happens to be a little late in coming into the House.

SOLDIER SETTLERS—MANITOBA

On the Orders of the Day:

Mr. L. P. BANCROFT (Selkirk): I had a question on the order paper which was passed as an order for return on March 2, but the return has not yet been brought down. The question asked for certain information regarding the position of soldier settlers in Manitoba. I should like to have the information as soon as possible if there is any chance of getting it before legislation in regard to this matter is discussed.

Hon. J. A. ROBB (Minister of Immigration): Does the question refer to the Soldier Settlement Board?

Mr. BANCROFT: Yes.

Mr. ROBB: It is just possible they may have had to send to Manitoba to get certain information. I will ask the department in regard to it.

WESTERN FRUIT COMBINE

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): May I ask the government if they are taking any steps with respect to the prosecution of the alleged fruit combine dealt with in the Duncan report?

Hon. JAMES MURDOCK (Minister of Labour): We have no report to make on that subject further than that given to the House a few days ago.

NATURALIZATION OF WOMEN

On the Orders of the Day:

Mr. J. L. BROWN (Lisgar): The Prime Minister will remember that a few days ago I asked a question in regard to a debate which took place in the British House of Commons relative to the naturalization of women. The official reports have come to hand since, and I find what would seem to be a discrepancy between the cable despatch and the official reports. I should like to know if the government has received any further communication from the British government in regard to that matter?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not aware of any further communication from the British government. The government has the official report to which my hon. friend refers and, as I mentioned to him when replying to his former question, the Department of the Secretary of State and the Department of Justice are looking into the matter. No doubt they will observe the discrepancy to which he has referred.

SADDLE LAKE INDIAN RESERVE

On the Orders of the Day:

Mr. D. F. KELLNER (East Edmonton): I had some questions on the order paper which were answered yesterday, and since I got the information I am more bewildered than I was before. The first question I asked was:

Was a portion of the Saddle Lake Indian reserve reclaimed by the Crown?

The answer was:

Yes, about 18,000 acres recently surrendered by the band.

The next question was:

If so, how long did it remain in the possession of the Crown?

The answer to that was:

Surrender not yet approved by order in council.

This was absolutely contrary to the answer given to the first question. The third question was:

Is the title for said lands vested in the Soldier Settlement Board?

To this, reply was made:

Transfer not yet completed.

The fourth question read:

If so, by what authority was this land reclaimed from the Indians?

To that question, I received the reply:

By statutory powers provided in Indian Act.

My fifth question was:

By what authority was it transferred to the Soldier Settlement Board?

The answer given was:

Surrender was granted by the Indians in order that the area so released might be sold to the Soldier Settlement Board of Canada.

I submit, Mr. Speaker, that there is no authority contained in that answer for transferring it to the Soldier Settlement Board. The sixth question was:

What was the consideration paid to the Indians?

The answer was:

Indians have received a per capital cash payment of $100. Balance will be placed to credit of band funds.

This would seem to indicate that the land had actually been taken over by the Crown, which was refuted in a previous answer. The final question was:

What was the selling price to the Soldier Settlement Board?

To this, reply was made:

Ten dollars per acre cash.

So the statement is made that the land has been reclaimed, that it has not been reclaimed; that it has been sold, and that it has not been sold. Therefore I am more or less in the dark with regard to the actual facts.

Hon. CHARLES STEWART (Argenteuil, Superintendent General of Indian Affairs): If my hon. friend is desirous of getting details which we are not in the habit of putting into answers to questions we will be very glad to furnish him with full information. As a matter of fact this is an arrangement which is going through; there has been no settlement.

As is usual, the Indians vote upon a matter of this kind. They did so, and part of the arrangement was that they were to receive $10 per acre, and that there was to be an initial payment of $100. As my hon. friend knows, in any land deal there is considerable detail to be gone into before it is completed, and this arrangement is not complete yet. I think my hon. friend is confusing to some extent the crown with the Soldier Settlement Board. He will find the authority for the purchase in the Soldier Settlement Act, and, as indicated in the answer, he will find in the Indian Act the authority for the sale of the land. The usual procedure has been followed in the case of the sale of Indian lands either to a private individual or to some body of individuals. In this case it is to the Soldier Settlement Board. If my hon. friend will go to the department he will be given full information with respect to the whole matter.

Mr. KELLNER: I may tell the minister that I have made innumerable applications to the department to get the information and so far have been unable to obtain it.

Mr. STEWART (Argenteuil): I shall be very glad to see that my hon. friend does get the information. If what he states is the case, I have no knowledge of it.

REDUCTION OF SALARY

On the Orders of the Day:

Mr. W. J. WARD (Dauphin): I desire to ask the minister whether a certain salary has been reduced from $4,600 to $3,300? If so whether there is precedent for such a reduction, whether an order in council has been passed authorizing it, and whether the minister would remedy the matter by bringing in a supplementary—

Mr. SPEAKER: Order. I would ask the hon. gentleman to kindly give notice of his question. Members of the government are not bound to answer questions on the spur of the moment; notice must be put on the order paper. Of late the practice has grown up of asking questions before the orders of the day are called and it is degenerating into an abuse. Notice should be given in all such cases, otherwise we may witness a repetition of to-day's proceedings when nearly an hour was spent in petty warfare. I may remind the House also that a special committee is at present engaged in considering the revision of the rules, and that changes may be looked for with respect to the manner of putting these questions in order to shorten the amount of time which they consume.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Monday, April 20, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the propoed amendment thereto of Sir Henry Drayton.

Mr. J. F. WHITE (London): Mr. Speaker, in the further consideration of the financial statement which was presented to the House this year it seems unnecessary to quote many figures. Already figures have been quoted at great length, and various hon. members have drawn different conclusions from their reading of the budget speech. To my mind there is nothing in that speech to indicate the hope that the government is taking serious steps to remedy the unemployment situation, to encourage immigration, to reduce expenditures or the public debt, or to reduce the income tax so as to equal the levy in the United States;—this in the face of the fact that nearly all the countries of the world are reducing debt and taxation. I think the Acting Minister of Finance (Mr. Robb) in presenting the budget showed too much anxiety to declare a surplus. In his claim of five million odd surplus he included a four million dollar item of so-called revenue from Greek and Roumanian loans. He states that he has not received the cash but simply a virtual promise to pay. He had that assurance before. He says, "Our creditors give, as additional security certain of the revenues of these countries as guarantee." Do Greece and Roumania give Canada the right of entry? Or do they give the government the right to place an official in their customs houses charged with the duty of collecting the assured amounts? I do not see that they do. The matter stands just where it did before. The governments of these countries are responsible only in the same degree as before, and in my opinion will honour the obligation because it is an obligation and not because of any material change of record during the past year. These interest arrears can be credited to revenue account only when paid, and have no place in the calculation of a surplus. The additional interest accrued may be an asset, but it is certainly not an item of revenue for the year. As we stand to-day it would seem that if cash loans to the

railways and to the merchant marine are considered—and they should be considered—we have a deficit of sixteen or seventeen millions, and if government-guaranteed loans to the railways are considered—and in the present condition of the National Railways I do not know of any reason why they should not be considered—we have a deficit of some sixty-four millions more, making something like a total of a hundred millions deficit for this year. I would refer the Acting Minister of Finance (Mr. Robb) to the speech of the Minister of Finance (Mr. Fielding) in this House in 1923, when he explained the position clearly. He was not afraid to refer to the facts of the railway situation, and he was not afraid of the word "deficit," nor was he afraid finally to make a frank statement to the House as to what the deficit was, after expenses were considered, including the railway and the merchant marine situation.

Mr. EULER: Would my hon. friend seriously say that guarantees made by the government to the management of the National Railways for the purpose of re-equipping or making capital expenditure on these railways should be included in the deficit?

Mr. WHITE: The country owes it and has to pay it just the same.

Mr. EULER: Not at all.

Mr. WHITE: I think it is to be regretted that the government did not produce a financial statement which could be understood by the people. Many members of this House, with all their advantages of securing information, have expressed their confusion and dissatisfaction with the statements which are partial and very much beclouded in their form of presentation. If the members of this House cannot arrive at a fair estimate of the position of the country how can the people who have not the advantage of a knowledge of the facts arrive at any fair statement of where we stand? We might take, for example, a departmental store or a business house having many departments. In the head office bookkeeping each department is charged with expenditure and credited with revenue derived from that department. Would it be reasonable for a great business house or firm, in making up its annual report and budget, to disregard one department which has not been a source of revenue but rather a cause of loss? A statement of that kind placed before a board of directors would not be a correct one, and would hardly be looked on as an honest statement of the year's business. That is the position in which Canada finds herself to-day. The budget is delivered, a surplus is claimed without taking into consideration the Department of Railways. The claim of surplus or otherwise should be based on the entire business of the year, so that the Canadian people can understand the situation. If the National railways had overnight a year ago reached a position where they not only could take care of operating expenses but also received enough for fixed charges and a surplus besides, I wonder what the Finance Minister would do regarding that surplus. I think it would not be necessary to argue as to the propriety of including the result in the national statement.

This year there are to be some changes in the tariff, in spite of the fact that the Prime Minister announced in Toronto that there would be no tinkering in regard to the tariff this year, but that he would wait and see how last year's changes worked out. In 1924 there were thirty-seven changes in the tariff schedule, this year up to date there are sixteen, and the Prime Minister has announced that there may be other changes when the trade agreement with Australia is under consideration.

I have referred on other occasions in this House to the situation so far as the iron and steel industry is concerned, and half of the items changed in the tariff schedule this year affect that industry adversely. The principal items in the budget which affect it are: the increased duties on coal, which I will refer to later; the replacing of certain products on the free list; and the changing back of the item of rolling mill rolls which was put on the free list last year to the former duty of 27½ per cent;—during recess this last-named change was made by order in council; the concession, I understand, was made to the iron and steel industry on account of the reduction in duty on its products made last year. If the industry needed that help last September or October, it surely needs it now, and yet the minister says that it has since been represented to the government that these rolls are made in Canada. On that account it is proposed to repeal this order in council and place the rolls back at the former rate of duty. The rolls are manufactured in Canada, but there is no Canadian concern making a specialty of that line of work, and the Canadian roll is inferior to that of American manufacture, not because the Canadian manufacturers are not as skilful as the American manufacturers, but because there is not sufficient market in this country to develop the business and to warrant a foundry making a specialty of that class of work and nothing else. It was represented

to the government that rolls were manufactured in Canada, and therefore it was necessary to place them back in the 27½ per cent schedule. It surely was possible for the government in 1924 when they put so much of iron and steel on the free list, to find out that pig iron and bar iron and steel were made in Canada. Therefore why should rolls be placed back in the dutiable list and the pig-iron and bars provided for in last year's budget remain on the free list? In addition to that, by the present budget farm and logging sleighs are placed in tariff item 591. That automatically puts the iron and steel bars used in their construction on the free list, and the Acting Minister of Finance knows now that such goods are made in Canada. There is no other line of business in Canada which has been persecuted to such an extent as the iron and steel business has in the last few years. In the items in the customs tariff to-day, dealing with iron and steel, there are seventeen on the free list. Fourteen of them are subject to 99 per cent drawback; three others in varying amounts from 30 to 80 per cent drawback, which means that practically 32 items are on the free list, and there are only 18 items on which duty is levied. Taking into consideration the British preference and the dumping clause, there is an average duty of less than seven per cent on iron and steel rolling mill products which are on the dutiable list. By the changes in the tariff this year the industry is taxed 27½ per cent on its rolls and 23 to 40 per cent on its coal, and there also exists in other items, duties on machinery and supplies, 25 per cent to 30 per cent, and sales tax of 5 per cent on all materials excluding fuel. How can the government expect that industry or any other industry to flourish under such circumstances? In the eleven months ended February 28 of this year, we imported of iron and its products, $118,000,000 worth, $100,000,000 worth of which came from the United States, and our exports to the United States were a little less than $4,500,000. I would call attention of the House to an Associated Press despatch in the Globe of March 28 in reference to the exportation of pig iron from Ontario to the United States. The despatch reads:

> Washington, March 27.—Anti dumping provisions of the Tariff Act were applied to-day by the treasury against the importation of pig iron from the province of Ontario.
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> While there was no official explanation of the action, it was understood that investigations preceding the order had shown that Ontario manufacturers were able to sell in territory contiguous to the Great Lakes on the south, at lower prices because of the cheaper transportation by water. Domestic producers serving the same region, it was stated, must meet that competition after paying freight charges by rail which added materially to the cost to purchasers.

It seems that Uncle Sam's idea of "balance of trade" is to prevent any importation of manufactured goods into the United States and to send out as much as possible to Canadian users, even to the extent, as in the steel business, of $100,000,000 per annum without allowing a ton to go into the United States, if it can possibly be excluded.

That is only one instance in which the government of the United States has acted in the same way. I can cite another of a firm with head office in Toronto, making special building brick, who were recently developing a good trade in the American lake coast cities. The matter was brought to the attention of the American treasury, the tariff was adjusted and increased; so that the exportation of brick from Ontario ceased immediately.

On the tariff the government has surely boxed the compass. When the Liberal party took office in the fall of 1921, the possibility, or the probability, of the adoption of the Liberal platform was the cause of a great deal of speculation. The sessions of 1922 and 1923 saw some small downward changes in the tariff and some compensating changes in the sales tax. A duty was imposed on artificial silk and bounties were provided on the production of copper bars and on binder twine manufactured from hemp grown in Canada. Thus encouragement was held out to three different lines of industry. In 1924, the abolition of the sales tax and the reduction in the duty of agricultural implements and on the materials entering therein, were the features. No encouragement for manufacturers was voiced in the budget speech delivered in that year by the Acting Minister of Finance (Mr. Robb). This year the minister proceeds on another tack. On the one hand he increases the duty on slack coal in an endeavour to encourage coal mining, particularly in Nova Scotia, I imagine, and on the other, he gives the iron and steel industry further discouragement and dismay. This is done by the increased duty on coal, the addition of more iron and steel products to the free list, and the withdrawal of the concession made last year regarding the duty on rolls used in the industry. That is the government's record. There is also the government's record with reference to the five per cent feature in the dumping clause. This was suspended in the early days of the 1924 session, and a few weeks afterwards, according to the words of the Minister of Customs and

Excise (Mr. Bureau), "the government had decided to suspend the suspension." In this year's budget, another feeble effort is made to amend the same clause, followed by an announcement a few days later by the Acting Minister of Finance that, "after further consultation with officers of the department, it had been decided that the amending resolution would be withdrawn." In that respect the matter stands in about the same condition as the question in regard to land which the hon. member for East Edmonton (Mr. Kellner) was complaining about a few minutes ago.

The increased duty on slack coal affects not only the iron and steel industry, but many other lines of industry in Quebec and Ontario. This change in the duty on coal was made without any compensating changes being made in other tariff items to offset increased costs of manufacture in other lines of industry. I contend that this matter should have received a comprehensive study before any items were changed, as by changes being made in a few schedules, other items are thrown out of balance and the net result may be the relief of one hardship, only to increase it in another place or in some other line of industry.

Referring to the question of coal particularly, I have no desire to criticize an increase in the duty on slack coal, if the minister, after careful and exhaustive inquiry, satisfies himself and this House that it is necessary for the development of Canadian industry and the well-being of the Canadian people. The average price of bituminous coal, that is, run of mine and lump, at United States mines is to-day about $2.15 a ton. The duty on this coal is reduced 3 cents a ton and stands to-day at 50 cents. This duty reduced to percentage terms on the value of coal is 23¾ per cent. Slack coal is worth to-day from 90 cents to $1.60 per ton at the mines or an average of $1.25 per ton. The 50 cents per ton duty now levied is a duty of 40 per cent. The hon. member for Cape Breton South and Richmond (Mr. Kyte) undertook to prove to this House a few evenings ago that that duty was about 13.77 per cent. He chose to go back to the year 1923 for his value of coal, and he took the duty of 1925 and arrived at those figures. If he wanted to make a really nice showing, favourable to his argument, he might have gone back two or three years more and taken the figures when coal was selling at $16 or $18 a ton. That would have made a very low duty; but Canadian users are face to face with the fact that they have to pay a duty of 50 cents a ton on slack coal which is worth $1.25 a ton, and no amount of figuring will get away from the fact that that duty is 40 per cent.

Some hon. members of both the Progressive and Liberal parties are wont to rail at the Conservative party as the party of protection, and some even say the party of high protection, but I never heard even the most enthusiastic Conservative advocate a duty of 40 per cent on coal. What party is it which now assumes the role of high protectionists? It is the Liberal party, the party which was to inaugurate a revision downward in the tariff, as the legend runs: "In order to diminish the very high cost of living which presses so severely on the great masses of the consuming public of Canada." Yes, they are lightening the burden by collecting, according to the minister's own estimate, just $1,000,000 more in customs duties in the coming year.

What is to be gained by this increase of duty? As regards the mines in Nova Scotia, and possibly Alberta, I think the gain is problematical in view of the reported move by the United States railroads to lower freight rates 36 cents a ton to points at which United States slack coal and Nova Scotia coal compete. If the railroad rates are lowered sufficiently to take care of the 36-cent increase in duty, the additional amount of Canadian coal sold will be small. As the business is now conducted, if freights are reduced, the coal will cost about the same at competitive points in the Montreal district, and it will cost users of slack coal further east in Quebec and the Maritimes and further west in Ontario, 36 cents per ton more as there will be no incentive to American railroads to lower freight costs, particularly to Ontario points. By the changes in coal duties, the Minister has placed a levy of 50 cents on an importation worth on an average $1.25, and the same duty on another importation of a value of $2.15. If it was absolutely necessary to make changes in the coal duties, in my view it would have been more just to discontinue the specific duties and levy an equitable ad valorem rate.

There is another item in the tariff changes dealing with bituminous coal, calculated to stimulate the production of coke by the use of by-product coke ovens. This item provides for 99 per cent drawback of duty under certain conditions, the idea being, I presume, to make coke in order to have that commodity take the place of anthracite coal. That will be of some benefit in so far as it promotes Canadian industry, and the employment of Canadians in the establishment of coking plants, and in the work of producing a material which will make us in some degree more independent of the American anthracite producer.

Inasmuch as central Canada, on account of its geographical position, is the area in which fuel is such an important item, it follows that in the event of these coke ovens being established in the central part of the country, as is proposed, Nova Scotia and Alberta coal will not be used for the purpose of producing coke. The only effect of this measure will be to transfer our purchases of coal from the anthracite mines of the United States to the bituminous coal mines of the same country, and will not help the Canadian coal mining industry in the slightest degree. Last year the government expended $200,000, voted in this House, in extending the selling radius of coal mined in the Maritime provinces, and many hon. gentlemen from that section have spoken in commendation of that expenditure. In my judgment, if the government had left the duties as they were, and would forget such things as, for example, the lop-sided Petersen contract, and apply the $1,340,000 per year to develop internal trade, Canada would make some progress. A lasting market in many lines would be developed, and more of our people would be employed at home.

If the government has in mind any policy for the development of the industries of Canada, it is time to get busy and apply it. It should end this attitude of drifting, swayed about by the voice that is the loudest or the friend who is most persistent, and should apply some definite, considered policy calculated to encourage confidence and the investment of capital, and the full-time operation of our industries. Only by some such policy can we provide work for our people. If the present habit of importing more and more manufactured goods; yes, and farm products, which we use at home, is persisted in, it will spell disaster to this Dominion.

4 p.m.

We cannot all be farmers, miners or loggers, nor will the country exist as an entity if we dwindle to the one activity of exporting raw materials. No nation which neglected its all-round development ever became great or did any great service for humanity. If our people are provided with the opportunity to work, they will make good. They are making good in the United States, and they are welcomed in that country because of their sterling qualities. There is need for people to fill our country. There is far greater need for a multiplication and a widening of opportunities for our native-born sons and daughters.

As to immigration, this country has spent in the last three years $1,000,000 more than was spent in the previous three years, and has not been able to retain our population at the figure of three years ago. What earthly use is it to spend millions each year trying to attract immigrants when our own people and some of the newcomers are going out faster than the immigrants are coming in? Besides the figures which have been quoted from time to time, I offer as further proof of this to the House the record of the imports and exports of settlers' effects in the eleven months ending February 28, 1925, and in the same period for previous years. This table is given in the Report of the Trade of Canada, and shows that in the last three years there has been a net loss in settlers' effects of over $7,000,000. In the last eleven months ending February 28 the loss was $1,504,000.

Some claim that our people are coming back. Doubtless a few are coming back, but compared with the constant stream which is leaving, those who are coming back are pitifully small in numbers. I believe that the government can do something, which will not cost anything, to encourage the return of former Canadians. In the act passed in 1919 to amend and consolidate the Naturalization Acts, the clause favouring the repatriation of former Canadians was left out. On March 31 last the Secretary of State (Mr. Copp), in reply to a question of the member from Provencher (Mr. Beaubien) stated that the present intention is not to bring down any amendments to the Naturalization Acts this session. I would call the attention of the government to the fact that at present the returning native-born Canadian who has become a naturalized citizen of any other country does not get a very warm welcome.

In the old act, three months' residence only was required to entitle a former Canadian to have his citizenship restored; but under the present act he is treated like any alien who may request citizenship. He has to endure the indignity of waiting for five years on the same level as any foreigner who knows nothing of our language, our customs, our history or our manner of living. If he marries a Canadian wife she is disfranchised by the marriage. He cannot vote, nor can he hold office during that time, and I think a returning native-born Canadian should not be asked to endure such humiliation. In case he has become a citizen of the United States, his plight is even worse than that. According to the naturalization law of the United States, when a naturalized citizen of that country returns to the land of his birth, he ceases to be a United States citizen after the expiration of two years. Now, consider the position he is in after two years have expired. He has to wait three years more

before he can be restored to Canadian citizenship. During that time he is a man without a country; he cannot secure a passport to travel in other countries; he is not under the protection of any flag and has no country he can call his own.

This state of affairs will act as a deterrent to any former Canadian who has changed his allegiance and who has any idea of returning to the land of his birth, and we should lose no time in making it easy and pleasant for him to return. We should hang out the "Welcome" sign to him by restoring the three months' residence clause, or at least naming some term of residence much shorter than the provisions of the present act.

The city council of my constituency, London, Ontario, has had this matter under consideration and has passed the following resolution. In the first two paragraphs the conditions I have described are cited, and the resolution itself reads:

> Therefore, we, the Council of the Corporation of the City of London, Ontario, do hereby resolve that the naturalization laws of Canada should be amended so as to provide for the repatriation of former Canadians after a brief residence in Canada, and that copies of this resolution be sent to the Hon. Mackenzie King, Prime Minister, the Secretary of State for Canada, and to J. F. White, Esq., M.P., for London.

On March 31, the Progressive whip, the member for Last Mountain (Mr. Johnston) referred in his speech to the prices of agricultural implements, giving prices ruling in a certain place in the west during the seasons of 1921 to 1925, and sought to prove that certain statements which were contained in a publication of the Conservative party were incorrect. The statement he referred to was taken from remarks made by me on February 13 in the debate on the Address. At that time I was contending that the present government had not reduced the price of agricultural implements, and took as a basis the price which came into effect December 1, 1921, just a few days before the general election and about a month before the present government took office. Some hon. gentlemen may inquire whether this reduced price list was issued with the idea of influencing the election result. I do not think so, for the reason that since 1915, and perhaps before that, it had been customary in the implement trade to issue a price list about December 1 of each year, to govern the sales of the next few months, and the makers did not depart from the usual practice in 1921. As I said, I took the prices existent when the government took office, and showed that to-day the farmer pays for a given list of eight different implements, commonly used, $22.50 more than in December, 1921.

The prices I quoted were for the season of 1922 for Ontario delivery at Hamilton, London and Ottawa, and I stated these particulars, giving the name of the company issuing the price lists. Any comparison of such things must start from a common basis or the so-called comparison is useless. The member for Last Mountain, instead of taking prices that governed after December 1, 1921, chose to go back one year previous and cited prices which governed in the season of 1921, which, by the way, were the highest during the war or the after-the-war period, and were fixed in 1920. The hon. gentleman did not give the name of his authority nor the name of the maker of the implements, nor information as to whether they were American or Canadian made goods; nor did he give the location more definitely than western Canada. He made some reference to higher prices intervening between the dates I gave, but in his desire to defend the government, he neglected to mention the increase due to the doubling of the sales tax in 1922 or 1923.

I reaffirm my statement of February 13, Mr. Speaker, that this government has not reduced the price of agricultural implements to the farmer. In other words, the farmer pays more to-day for the great volume of his implements than when the government assumed office. To-day I do not take my own figures for proof; I take those of the member for Last Mountain, which we will assume are correct, although the prices on one of these implements seem very badly out of proportion with the other three. According to his statement the four implements cited by him sold in December, 1921, at $594. The price he gives for 1925 is $607, which means that the farmer pays $13 more to-day than he did when this government took office in December, 1921.

The hon. gentleman also said in his speech that he mentioned these prices in order to explode the old theory of the protectionists that any reduction in the customs duty does not reach the consumer. Now, I am going to try to show him that this explosive may be something of a dud. I am going to show that the farmer did not receive the full benefit of the abolition of the sales tax and the reduction of duty which took place under the budget of last year. The sales tax of 6 per cent was removed and the duties reduced on these implements by a percentage varying from 4 to 7½ per cent on April 11 last, but the consumer did not get the entire benefit last season of even the 6 per cent sales tax reduction, as the list price of April 11,

1924, will show; and it was not until December, 1924, that any further reductions in prices were made.

I am going to ask the Prime Minister (Mr. Mackenzie King) to help me to prove this contention. In his speech on the Address on February 9, to show what great things had been done for the farmers, he gave what he called a representative list of implements which had been sold in Ontario before the budget of 1924 for the sum of $953.50 and, after the date of the budget, for $905.50. If the farmer had received the full benefit of the reductions of last year's budget, he would have been called upon to pay just $859.55; actually paid $905.50. That is to say, he did not receive the advantage due on account of the reductions of sales tax and duty, by $45.45. The Prime Minister also referred to a slightly larger list sold in the Regina territory before the budget of 1924 for the sum of $1,358 and after the date of the budget for $1,291. In the second instance, if the farmer had received the full benefit of the reduction, the price would have been $1,224.18. In other words, on the western list he did not receive the advantage due on account of the reduction of sales tax and tariff, by $66.82. In fact, in both these cases cited by the Prime Minister the farmer received just about one-half the advantage of the reduction in sales tax and duty. If the hon. member for Last Mountain (Mr. Johnston) will make close inquiry he may find that there was a reduction on implements in the United States last year which was largely the compelling reason for the change in prices in December, 1924.

I am not criticizing the manufacturers of agricultural implements in respect to the conduct of their business. Their balance sheets for the last few years would indicate that they are in need of all they are receiving. So far as this budget is concerned, I am criticizing the action of the government in exposing the manufacturers and the workmen of this country to ruinous outside competition.

Another matter referred to in the budget speech of the Acting Minister of Finance was that of an export duty on electric energy. He announced that an order in council had been passed levying an export duty on electric energy which, according to his estimate, will produce a revenue of $400,000 per year. The matter of the principle of power exportation has been pretty fairly discussed, and I need not go into it at any very great length. In my own city the consumption has increased by leaps and bounds. Out of a population of about 63,000 the Hydro-Electric system is supported by 17,500 consumers, 4,200 of whom have electric stoves. Although the city contracted with the commission originally for 3,000 horse-power, the demand to-day is for around 17,000 or 18,000 horse-power and is still increasing. This is typical of the demand wherever electric current is available at low rates, and the prediction is made by hydro engineers that there will be a severe power shortage in two years' time.

I look on the exportation of power as the exportation of another of our raw materials, and I am opposed to a further enlargement of our exports of unmanufactured goods. If we could export it in the form of manufactured goods made from the application of this power, or if we used it to manufacture many of the goods we now import, I think it would be of infinitely greater benefit to Canada.

As to the exportation now going on, for the year ending March 31, 1924, there were ten companies exporting current, six of whom exported less than 9,000 horse-power from various parts of the country. There is an exportation of about 65,000 horse-power from the Cedar Rapids plant of the Montreal Light, Heat and Power Company; I have no information about the contracts under which this exportation is made. The balance of our exports, about 140,000 horse-power, are from the Niagara district.

In the year ending March 31, 1924, there was exported by the Canadian Niagara Power Company some 53,000 horse-power; by the Toronto Power Company some 34,000 horse-power; and by the Ontario Power Company some 52,000 horse-power. The last two mentioned are Ontario Hydro Commission activities. It has been announced in the press that the contract which the Canadian Niagara Power Company has with the United States consumers provides that any duties imposed by the government shall be paid by the consumer. If that is the case it definitely fixes the payment on the United States consumer. Now, the contract of the Toronto Power Company also has the same clause fixing the duty on the consumer, and I am informed that this contract was for a five-year period, expiring on October 25 of this year.

The contract in the name of the Ontario Power Company is for exportation to the Niagara-Lockport Company and was signed in 1903, three years before the passing of the act to regulate the exportation of electric power.

The contract originally called for the exportation of 60,000 horse-power, and under certain options might not expire until the year 2010. When the Hydro-Electric Commission of Ontario purchased the Ontario Power Company in 1917 the terms of the contract with the Niagara Lockport Company were changed, so that the present contract expires in 1950.

The Dominion charter granted the Ontario Power Company in 1887 gives the Power Company the right to export power to the United States and makes no mention of the addition of a tax by the government. I am informed that the contract with the American company does not provide for the payment of any taxes. This long term contract is for power at an extremely low rate and will mean probably a loss to the Hydro Commission of Ontario. On the basis of last year's exportation of 52,000 horse-power, the export duty would amount to $101,400 per year. If they export the full 60,000 horse-power of the contract the duty will amount to $117,000 per year. Now if the Hydro-Electric Commission is taxed to this amount, and is unable to collect from the American consumer, who pays the tax? It will be charged to the Niagara system of the commission's activities, and that charge will have to be met by those who are using current from that system. The reports of the commission show that 54 per cent of their revenue is derived from the sale of energy for commercial light and power and the balance of 46 per cent comes from the use by public utilities and domestic services, the domestic services being about two-thirds of the 46 per cent. Thus in the final analysis so far as this $117,000 per year is concerned the people of Ontario who are using Niagara energy will pay the tax.

This is only another practical illustration of the way the government is reducing the "very high cost of living which presses so severely on the people." Now I make these suggestions to the government; that the order in council be amended to provide that, if, in the case of an export contract, existing prior to the passing of the order in council, the duty cannot be collected from the American consumer, that contract shall be exempted from the duty. That the government revoke all export licenses as the existing contracts expire. While I am strongly in favour of curtailing export, if, under special circumstances it is deemed wise to issue any further licenses, I suggest they be for short terms only.

Considering the budget as a whole, if we judge by the contradictory opinions expressed by the members of the Liberal party, it is evident that the government is unable to advance a policy which meets the needs of the country, whether on account of these internal divergencies of view of the party or the fear of defeat in the House, I am unable to determine; but it seems to me that there is a worse fate than defeat in the House, and that is a loss of the confidence of the people. I believe the government by its vacillations has forfeited the confidence of the Canadian people and deserves the censure of this House.

Mr. W. G. RAYMOND (Brantford): Mr. Speaker, I have listened with a good deal of interest to all that has been said in this debate, but I must say that I find myself unable to agree with all of it; because I think the compass has been pretty well boxed, the wind has blown from nearly every direction, and therefore it would be impossible to agree with all that has been said. I might preface my remarks with the words of the old sailor who, when he was in danger, said, "Oh, Lord, I aint one of them chaps as is always bothering you, I don't often do it, I aint ever done it before, and if you listen to me this once it may be some time before I do it again." This debate, as I say, has been very varied, it has led us all over the country and treated of different periods of our history. I have endeavoured to take a calm, judicial and impartial view of the debate, and on the whole I think that the Acting Minister of Finance (Mr. Robb) is to be congratulated on the budget which he has presented to the House and to the country. I remember very well some three months ago when our newspapers were full of rumours of the large deficit that might be expected. It was said that the customs revenue and the income tax had fallen off, and before the House met it was considered almost inevitable that the Acting Minister of Finance would have to provide for a large deficit. However, we had the satisfaction of hearing him announce a surplus—a surplus of $2,000,000 considered in one way, and of some $4,000,000 or $5,000,000 considered in another way.

I am one of those, Mr. Speaker, who thinks that on the whole the budget is a fair presentation of the country's position. I say so for various reasons: First, as far as I can exercise my judgment on it; second, because I have a high degree of confidence in the honesty and integrity of the Acting Minister of Finance, whose record both in his public and in his private life is such that it will put to shame some of those members who have seen fit in this House to cast aspersions upon him; another reason that leads me to the con-

clusion that is now firmly in my mind is the argument of the hon. member for West York (Sir Henry Drayton). He is an authority in this House on matters of finance, he is the ex-Minister of Finance, and consequently I listened to his argument with a great deal of attention. But there was one aspect of the debate that I thought deplorable; I could not apply any other word to it. The honour and dignity of this House, Mr. Speaker, is something which we all should do our best to preserve, and in view of the fact that it was hon. gentlemen opposite who constituted themselves the guardians of our honour and dignity, those hon. gentlemen have to my mind somewhat grievously trespassed upon it this session. I mean, for instance, that when the hon. member for West York (Sir Henry Drayton) in referring to the Acting Minister of Finance, said that the system of bookkeeping he had employed to arrive at the conclusion he did in his budget was such as men were "doing time"—I believe that was his expression—for having used. Now, I think such expressions are to be deplored. I thought that this particular expression would have constituted a breach of the rules of this House, but I suppose it was taken as many another word from that hon. member is taken, as a joke, a friendly utterance, for he is fond of making jocular remarks. But I think this remark was too serious almost to be taken jocularly. Besides, when statements are made in this House they are not made to the limited circle that listen to them here. An instance of that happened just the other day, Mr. Speaker, when the hon. member for Fort William and Rainy River (Mr. Manion) found himself reported in the Chicago Tribune as having been in this House almost a champion of annexation and as having stated that one-third of our population were in favour of annexation. He was surprised himself when he saw the report. Now, supposing some member of a foreign country, or the representative of a foreign newspaper, were in the gallery at that time and heard the ex-Minister of Finance state that for methods of bookkeeping the same as were used by the Acting Minister of Finance people were "doing time," would not he be warranted in going back to his own country and saying that when he was in the legislature of Canada he heard a man of experience, a man of repute, rise and state that its membership was composed of men who were no better than felons and convicts? I speak with all respect and all earnestness and I say that I deplore such an act. I think it is to be regretted, and I should like to see the hon. member for West York (Sir Henry Drayton) withdraw those words. I do not know whether he said them in earnest, or as a bit of a joke as he does sometimes. But when the hon. member for Vancouver Centre (Mr. Stevens) hurled such a frightful phrase across the floor as "moral obloquy" I felt certain, Mr. Speaker, it was more or less harmless because nobody has ever seen the words herded together in just that shape before, and most of the House had a doubt as to whether the hon. member himself was really aware of the meaning of the words he was using, because we know that "obloquy" if it is taken in the sense of "abuse, detraction and disparagement" does not belong to the side of the House on which the Acting Minister of Finance is sitting; it belongs to the far corner of the House to your left Mr. Speaker. That is where "abuse, detraction and disparagement," which are given in the dictionary as the meaning of the dreadful word which the hon. member for Vancouver Centre used, come from; that is the corner of the House where such expressions emanate; that is the corner of the House where the three more prominent members I have referred to sit as the premier scholars in the school of scolds. They have copied—with a degree of fidelity which would be admirable if it were for a better purpose—the manner of their great teacher, but they have been unable to appropriate or imitate his attainments or his talents.

Now, I wish to show you, Mr. Speaker, and show the House, how it is that the hon. member for West York has induced me to think that this may be a very good and very sound budget. As I say, I take that view partly from my own examination of the figures, and partly also because of the high reputation of the hon. gentleman; but now I wish to confine myself more particularly to the slant that was given to my mind by the arguments of the hon. member for West York when the statement was made that the surplus did not exist, and when he attempted to prove that not only did the surplus not exist but that many of the items that were referred to could not possibly be applied to the account. He went on to add certain other items to the liabilities until he proved, entirely to his own satisfaction, that instead of a surplus there existed a deficit of some $110,000,000. I followed that argument with much interest because, as I say, he is a gentleman of very high financial repute; he not only knows all about railways and shipping but he also knows all about finance, and some of his ardent admirers say that he even understands law—of course, to

a certain extent. But, Mr. Speaker, when, as I say, a gentleman of that high repute and that knowledge, and in whose judgment I have so much confidence, proved absolutely that there was a deficit of $110,000,000 I had, of course, to conclude that those were not the words of a mere—shall I say?—hon. member, not the words of a politician, but the words of a great statesman, the words of one to whom had been entrusted the financial management of this country, one who had been entrusted with its financial management just prior to the accession of the present government, mark you. He proved there was a deficit of $110,000,000 instead of their being a surplus of $2,000,000. That was the effect of his argument. And then we had the interesting spectacle of the way in which the statesman would remedy the deficit of $110,000,000. In order to meet that deficit what does he suggest? They say, Mr. Speaker, that "actions speak louder than words." Now, the hon. member's action was embodied in his amendment in which he says that the taxes should be still further reduced. What effect would that have? According to his amendment he would meet the deficit of $110,000,000, which he says exists, by still further reducing the sales tax, the stamp tax, the income tax, and other taxes by which revenue has been raised for a number of years back. Well, I could not imagine any spectacle much more ridiculous offered by a gentleman who claimed to have balanced the affairs of this country than in him to rise in this House and prove that there is a much greater deficit than the Acting Minister of Finance says, and yet to be so satisfied that it does not exist that he is willing to vote for a further reduction of taxes; whereas if he knew that a deficit of $110,000,000 existed the taxes would have to be increased in order to meet it. I say I cannot imagine a much more ludicrous spectacle unless the proposition was advanced as another of those little jokes which we have from my hon. friend from time to time and which we are always glad to have because there is not a merrier sound in this House than the laugh of the hon. gentleman.

Following up the argument contained in the hon. member's speech, in addition to discovering a deficit of $110,000,000 and evincing a desire to still further reduce the taxes of the country, what does the hon. member propose further? He proposed in the course of his speech to keep out of this country some $700,000,000—I think that was the amount—on raw materials, and so forth, which are imported into the country and upon which duty is paid, thus proposing to take away another $100,000,000 from our revenue. That was his proposition—that the tariff should be raised to keep those raw materials out. That is to say no tariff would be derived from their importation, and another $100,000,000, or in that vicinity, would be added to the existing deficit of $110,000,000. That is the way in which my hon. friend would meet deficits. Is it any wonder that when the affairs of this country were in the hands of a gentleman whose mathematics would lead him in this peculiar direction, that when he left office we should find a huge debt of $2,500,000,000 upon this country? To me it is not in the least surprising. But it was somewhat surprising when the hon. member for London (Mr. White) followed in the same strain. These gentlemen must understand that if the deficit they speak of really exists it is impossible to carry out the amendment for which, I expect, the hon. member for London and others will vote—to still further reduce the taxes. On the other hand if we have such a deficit the thing necessary for us to do, it seems to me, is to raise enough taxes. We know that should be the course to meet such a deficit if it really existed, and the hon. member for West York knows it also. But the hon. member probably does not think it really does exist because, as I say, his remarks were simply uttered in that very pleasant spirit of jocularity which we all enjoy and which amuses us so much.

Now, with regard to the tariff itself there are just one or two items that I wish to allude to because they affect my own constituency. It is rather difficult to touch the tariff, Mr. Speaker, without affecting the constituency of Brantford because, as I stated before in this House, and which is known to most members, its manufactures go all over Canada from the Atlantic to the Pacific. When a reduction was made in the duty on the articles manufactured there last year I was in hopes nothing more would be touched; I was in hopes that we would stand pat upon the budget—although that does not seem to please hon. gentlemen straight across the chamber; I hoped that the tariff would remain with some degree of steadiness for a few years until such changes as had been brought in by the budget of last year might have had a chance to work and enable us to see whether they would be a benefit. However, a further reduction is made this year on farm wagons and farm sleighs. The duty has been reduced, I think, from some-

thing like 25 per cent to something like 10 per cent. This reduction affects another Brantford industry—because not only did the wagons of the Adams Wagon Works carry the food of our gallant soldiers over the blood-soaked fields of France and Flanders, but they are used on farms in our own country in a peaceful way in a territory extending from the Atlantic to the Pacific. Now this further reduction was made.

Was there one word of appreciation for the further reduction from the members of the Progressive party? If there was I failed to hear it. I heard most of what was said. I heard them complain that the budget did not suit them. They did not point out that this particular item did not suit them, and they did not point out that this item was adjusted for their benefit and in their interest. The thought that is in my mind at the present time, that was in my mind last year was this—and I am quite in earnest when I say it, and I hope that no offence will be taken for I intend none—that whatever reductions are made in the budget, whatever changes are made for the benefit of the Progressives, they will never be satisfied, they will ask for more, and will not wait to see how the changes made last year benefit them. But there comes this insistent demand for further reductions every session, and it reminds me of the story of the bear and the boy with the candy. The bear will eat the candy as long as the boy has the candy and will give it to him; then when the candy is gone the bear will eat the boy. That is the attitude of the Progressive party on the tariff, and I regret to say it. I do not wish to offend any member of that party, but I would like to see them come to a more reasonable attitude upon this question. Of course there are some questions which we naturally view from different angles. They are consumers and users of these goods that are made so largely in the city I represent, but it is their uncompromising attitude I complain of. They never seem satisfied. As I have stated, I have not heard one word uttered from that corner of the House complimenting the government or the Acting Minister of Finance on this very change in respect to the duty on wagons which was made for their benefit. That is a large and important industry in Brantford, and will be affected very seriously by the change. The firms in the western states that make wagons which go to the northwest are situated much closer to the people of the prairie provinces than we are—a good many hundred miles. Their freight rates are less, and consequently it will be very difficult for the manufacturer in Brantford to compete with the American wagon makers and keep their trade. Yet it is known that there is no better article of that class manufactured anywhere in Canada. It can only be put out of the market by a lower price, with the advantage in the freight rates that American manufacturers will have. These wagons are largely made in the vicinity of Minneapolis and that would make it very difficult for the Adams Wagon Works for instance to continue to compete against them.

This brings me to another point which I desire to touch briefly, which is not directly referred to in the budget, and I regret that it has not been mentioned. I think it should have been mentioned in some way. I refer to the Crowsnest pass agreement which has created discrepancies and discriminations against many points throughout the whole of Canada, but I venture to say that no point has suffered more on account of the inequalities in the freight rates than the city of Brantford. Our complaint is not simply that the discrimination was put into effect by the Canadian Pacific Railway, because that is not the main railway serving the city. It is one of them, but not the principal one. Our complaint is that the Canadian National Railway should have granted a rate to the city of Hamilton which is discriminatory against the city of Brantford, and rival manufactories are located in the city of Hamilton. In order to give hon. members some idea of the enormous difference that this makes on some classes of agricultural implements that are shipped to the northwest, Brantford has to pay a rate of $1.28 per hundred, while the same goods are carried at the rate of 96 cents a hundred from Hamilton, and these goods are carried, not by a rival railway, but by our own Canadian National. That discrimination against the city of Brantford has been put into effect by the Canadian National Railways. Of course the excuse is that when the Crowsnest pass agreement came into effect and the Canadian Pacific Railway gave reduced rates from Hamilton, the Canadian National had to grant a reduced rate to meet it. Whatever excuse may be offered by the Canadian National Railways or by its officials, the feeling naturally will exist, and it will rankle in the hearts of shippers by railway in Brantford that this discrimination is made against them by the Canadian National Railways. The feeling in our district was growing greatly in favour of the Canadian National, and there was a desire to ship goods by that road. The railway had come into favour and was found to be giving

good service. People were satisfied with it and became proud of it. But there is a strong feeling there to-day, and they want to know why should the Canadian National Railways, discriminate against them when they are shipping their most important product to the west. Why should they have to pay $1.28 per hundred, when the same goods could be shipped from the city of Hamilton at 96 cents per hundred? In the case of the shipment of some agricultural implements it makes a difference of more than one hundred dollars a car. I think this state of affairs should be rectified, and the Minister of Railways should do something to provide a remedy.

Mr. LADNER: How would the hon. member rectify the situation?

Mr. RAYMOND: I do not quite understand. How would the hon. member expect me to rectify it, unless I had the power to do so?

Mr. LADNER: On the assumption that the Canadian National Railways would accept the suggestion of the hon. member who knows the situation and the difficulty, what would be the hon. member's suggestion?

Mr. RAYMOND: That the Canadian National Railways should never discriminate against a city that has ever been one of its very best customers, and that it should give no better rate to Hamilton or any other place than it gives to Brantford. That is a fair answer.

Mr. LADNER: Do I understand the hon. member to suggest that the Canadian National should reduce the rates from Brantford to the same level as the rates from Hamilton.

Mr. RAYMOND: I am not so much concerned as to what they do with regard to Hamilton as with reference to Brantford, and if they would reduce the rates from Brantford down to the rates charged from Hamilton I would be satisfied.

Mr. LADNER: Are they not obliged to reduce the rates from Hamilton?

Mr. RAYMOND: Why?

Mr. LADNER: Because the Canadian Pacific have been obliged to reduce the rates from Hamilton to the Crowsnest rates.

Mr. RAYMOND: That is a question. They did reduce them. I do not know whether they were obliged to reduce them.

Mr. LADNER: Was there not an order of the Supreme Court of Canada?

Mr. RAYMOND: I do not know. My hon. friend is a lawyer and knows all about it but I am happily ignorant on that point.

Mr. LADNER: I am trying—

Some hon. MEMBERS: Order, order.

Mr. LADNER: I am trying, Mr. Speaker, to get from the hon. member a statement of the facts which are important, because we in the west are much concerned in this proposition. Is it not a fact that if the reduction were made in the case of Brantford to the rates under the Crowsnest pass agreement, a similar reduction would have to be extended to every other city in Canada. Is that not the reason why they cannot make the reduction?

Mr. RAYMOND: I will answer my hon. friend's question at a little greater length and explain the argument from the Brantford point of view. I am speaking now from my own knowledge of it, because I happened to be there when the first connection was put through which gave us any communication at all with the Canadian Pacific Railway, or which gave Hamilton any connection with the Canadian Pacific Railway, so far as my knowledge will carry me. The point I wish to make has not been developed at all. The Toronto, Hamilton and Buffalo railway was built from Toronto to Hamilton, I think, about 1895, at all events before the Crownest pass rates came in. I say that it is through the Toronto, Hamilton and Buffalo Railway that the Canadian Pacific Railway came to have any connection with the city of Hamilton. They had running rights at this time which they had arranged for with the Grand Trunk between Hamilton and Toronto. They never built a line from Toronto to Hamilton, but obtained running rights over the then Grand Trunk from Toronto to Hamilton. The city of Brantford withheld the bonus from the Toronto, Hamilton and Buffalo Railway because they had not carried out the agreement which had been made to build a line from Toronto to Hamilton. That is the connection between the city of Hamilton and the Toronto, Hamilton and Buffalo Railway as I see it. If that is the connection then the city of Brantford is just as much entitled to the Crowsnest rates as ever the city of Hamilton was. Another contention I make is that whatever the Canadian Pacific Railway have done, if the Canadian Pacific Railway gave an unjust rate from Hamilton to the detriment and disparagement of Brantford and the business there, I do not think it is any excuse for the Canadian National Railways,

our own national railway, to give a rate that discriminates against that city. If the Canadian National gave the rate in Brantford, the Canadian Pacific would have to come down and give the same rate, as now the Canadian National say that they have to give this rate in Hamilton because the Canadian Pacific gave it. I do not know that it is worth while to go into this at any greater length, but it seems to me it is very plain that Brantford is being discriminated against. Section 55 of the Railway Act states that there shall be no discrimination; but in violation of that section our own railroad has given this discrimination against Brantford that some of our cars have to pay $100 more in freight than cars going from Hamilton, and on many other goods the difference is something like 34 per cent more if sent from Brantford than if sent from Hamilton, because the difference is between 96 cents and $1.28. I should like to see this rectified. It was promised in the Speech from the Throne that transportation would take up the attention of the government during this session, and it has been promised by the Minister of Railways and Canals (Mr. Graham), who I know is a man who always keeps his promises, that this will be rectified. But months are going by and this is the time of year when vast quantities of agricultural implements are being shipped out. It will soon be the time of year when tons and tons of binder twine will be shipped out, and all these goods have to pay this excessive rate, which I claim is unjust. It is, therefore, the duty of the government and the Canadian National Railways to rectify this and to see that the disparagement against Brantford is done away with.

I was a little disappointed in the amendment that was moved by the hon. member for Brandon, the leader of the Progressive party (Mr. Forke). Perhaps I had allowed my hope to rise a little too easily. When. last year, certain changes were made in the duties on agricultural implements, reducing them, I would say, to an irreducible minimum, I had hoped that these hon. gentlemen would be satisfied. But they were not, and that resolution showed that they were not.

An hon. MEMBER: Hear, hear.

Mr. RAYMOND: An hon. member says, "hear, hear". I quite understand that there are hon. gentlemen over there who will never be satisfied until all the duty is taken off, and I do not know what they will then ask from the government. Their share of the taxes largely consists in the paltry duty they pay on what they use. I should not like to think they pay it grudgingly; I should like to think they pay it cheerfully and with a good heart, because in the amendment that the hon. member for Brandon desired to move, he took the ground that he regretted that the protective principle still existed in the tariff, that is, the extraordinarily high protection of 10 per cent upon ploughs and the extraordinarily high protection of 6 per cent upon binders. I do not know any other country in the world where there is less duty on these goods where any is charged. The hon. member said in his resolution—I will not quote the words of it at length—that they believed rather in the revenue principle than in the protective principle in a tariff. If one wished to collect any revenue, what amount would one impose in duty less than 10 per cent or 6 per cent or the paltry amounts charged on these implements? I cannot conceive it; but I make this suggestion to the Acting Minister of Finance and for anyone who is interested in the finances of this country. If these hon. gentlemen opposite are sincere—and I do not like to suggest that they are not; it is only that they do not thoroughly understand the matter—in their desire for a revenue tariff, that is what I have always wanted and we are quite in accord. Then I understand why it was that the hon. member for East York (Mr. Harris) referred to some hon. members in this House as "Go-on Liberals." That is, according to my understanding, Progressive Liberals. I must be one of those because I believe also in a revenue tariff, but I believe that revenue tariff should be put on a regular and sound basis. More than that, if that was adopted on everything, if it was agreed that there should be a certain minimum tariff of say 10 per cent on the imports of this country, I would suggest that when the tariff was reduced to that, it should be considered that it was reduced to the irreducible minimum and that there would be no further reductions. That would be my idea of a minimum tariff. My idea would be to impose that tax on all goods coming into this country unless there was some special reason why a tax ought not to be imposed or unless there was some special reason why a higher tax should be imposed in certain cases.

The hon. member for Brandon said that he regretted the government had not done more to reduce the cost of living. He should have been a little more concrete and definite. How would he proceed to reduce the cost of living? Let us take the items on the cost of living sheet and see which of them are the highest at the present time. You will find such items as butter, milk, cheese, poultry, eggs, meat, bread, all the products of the farm,

are at a higher rate than they usually are on the cost of living sheet. Are those the articles he wants reduced? I do not think he wishes to see any of them reduced. When we know that the few articles of clothes and tea or whatever else we use are not as high, it would have been more interesting, more pointed, if the hon. member had told us on what articles he wanted the tariff reduced in the hope of making the cost of living less.

Mr. GOOD: What about automobiles?

Mr. RAYMOND: I do not know that in the cost of living automobiles can be considered unless one had to live like a gentleman on a western prairie farm. I do not consider an automobile is an actual necessity of existence, because it is on the articles that are considered necessary for existence that this table is based every year, as I understand the matter.

Let me continue my serious suggestion and it is this. The hon. member for Victoria, Ont. (Mr. Thurston), I think, last night suggested that until we reduced the interest on our national debt, we could not hope very much to reduce the annual expenses of this country. We are met every year with a large uncontrollable expenditure, which varies a little, but which runs somewhere about $135,000,000 that we have to pay on our debt. Unless a direct and definite effort is made to reduce that debt it never will be reduced; it will stay about where it is. It is never going to come down until the attention of the people and the government is deliberately set towards reducing it. Do you think it will be reduced, when we have a deficit of $110,000,000, by still further reducing the taxes or by taking away the customs duties on $700,000,000 worth of goods that are imported, as was suggested by the hon. member for West York. (Sir Henry Drayton). That will not reduce the national debt. I should think it was due to his belief in such a course that when he left office he left us with the enormous debt of $2,500,000,000 or whatever it was in his time. The finances of this country should be considered in a serious and direct systematic way. Some system should be evolved as was suggested by the hon. member for Victoria, Ont., whereby we should have something in the nature of a sinking fund or something that would be applied every year towards the reduction of the debt. It need not necessarily be segregated away in a sinking fund, but some definite portion of the revenue of this country should every year be devoted towards the reduction of the national debt. Until that is done, it will never be reduced, and until we reduce our uncontrollable expenses, it will be absolutely impossible for us to get along with less taxation. Therefore, I think that system either of a sinking fund or of apportioning a certain part of the revenue towards the reduction of this vast debt of ours should be put into effect. We could reduce the annual charge on interest and lighten definitely and satisfactorily the burdens of our people. If hon. gentlemen opposite believe, as they say they do, in a revenue tariff, would it not be a good plan to combine the principle of the sinking fund for the reduction of the national debt with the idea of a tariff for revenue?

Mr. HODGINS: The hon. member was speaking a few moments ago about the tariff on wagons. For my own information, I wonder what the tariff was on wagons last year.

Mr. RAYMOND: Twenty-five per cent.

Mr. HOEY: There has been no change in the schedule at all.

Mr. RAYMOND: I think the hon. member asked what the tariff was last year.

Mr. HOEY: It was the same last year as it is now; there has been no reduction at all in farm items.

Mr. HODGINS: If I remember rightly, there was one item struck out of the tariff schedule last year. They were all put under the rates of five, ten and ten, but this year that item is in again and the tariff on it has been increased.

Mr. RAYMOND: I understood there was a reduction on farm wagons and sleds; that was the information I got from one company who evidently are under a misapprehension. I hope the hon. gentleman's interpretation of the schedule is correct, because I know that the company do not want to represent the position as it is not. Coming back to the question I was discussing a moment ago, of some gradual, systematic reduction of the national debt, hon. gentlemen opposite claim to be in favour of a revenue tariff, and I say that our revenue will be obtained through the medium of a tariff as long as most of us are alive; and so long as that is the case the main point for us is to see that it is fairly, reasonably, equitably and consistently collected. I think myself that by combining these two ideas, of a reduction of the national debt, whether in the form of a sinking fund or not, with a revenue tariff, we should obtain satisfactory results; if a certain part of

the customs tariff were devoted every year to the reduction of the national debt you would get a proper system by which the tariff would be stabilized.

Mr. EVANS: Is the hon. gentleman in favour of a revenue tariff entirely, or does he look for incidental protection along with it?

Mr. RAYMOND: It would be impossible to have a revenue tariff without giving incidental protection. If for the sake of collecting a revenue we levied a duty of 10 per cent on any particular article, naturally there would be a certain amount of advantage in the way of protection to the implement affected. So that you could hardly separate a certain amount of protection from a revenue tariff. It used to be called "revenue tariff with incidental protection," but I believe the phrase is a little old now. That was the tariff used more particularly prior to 1911 and
5 p.m. it was fairly successful in Canada, if you will remember. I do not think we have reason to regret that part of our financial history; there was a period of years during which that tariff was in force and I think the business of the country flourished fairly well then. I do not mean to say that this was because of the tariff, but business flourished while that tariff was in existence. To make it a rule that a certain part of the customs tariff should go to the reduction of the national debt would have the effect of stabilizing the tariff, and I feel that it would be quite acceptable to my hon. Progressive friends if they looked at the matter as I do. It would have the advantage of gradually reducing the debt, and further it would be a means of collecting the money indirectly. I know that some people do not like the term "indirect taxation" and for that reason they object to a tariff. But there will always be some necessity for indirect taxes. And one difference, not the only one of course, between a direct tax, such as the income tax, and an indirect tax by way of a tariff, is that if a man is economically inclined, if he wishes to live, or if being poor he is bound to live, with the greatest amount of frugality, he can avoid using such articles as the duty is collected upon. But if from his salary there is a direct levy in the way of an income tax he cannot practise such economy, and this has a tendency to destroy thrift and frugality. If there were a duty, as we have a duty, on certain articles, those who wished to avoid expense in connection with them could do so by refraining from buying those things. If there were a duty on tea and they did not wish to use tea, or if a tariff were imposed against tobacco and they wanted to economize in that direction, they could refrain from the use of these commodities. I throw that out seriously as a suggestion; I think that a certain amount of the tariff might be used every year towards the reduction of the national debt; and as our hon. friends opposite believe in a revenue tariff I hope they will give the idea fair consideration. If they do so I think they will agree with me.

Let me say a word now in reference to what has been said regarding the proposed board of tariff commissioners. I think that the hon. member who referred to the matter last night, the hon. member for Victoria (Mr. Thurston) I believe, cited a strong objection to it, and that was a reason, he said, why we would vote against the budget. I wondered when he said that if he were aware that this board of tariff commissioners will be practically no more than an advisory board of experts to the government. Neither this government nor any other government, nor this nor any other parliament, will ever place in the hands of any commission the power to increase or decrease the tariff as it might see fit, for that would be contrary to the whole theory and genius of our constitution. That of course is not the case in the United States; there the tariff board may put the duties up or down as they please. That could not be done in this country, inasmuch as it must rest with parliament to decide what the changes either upward or downward shall be in the duties. If the hon. member, as his remarks implied, was under some misapprehension in this regard, thinking that the matter would be left in the hands of the tariff commission to raise or lower the duties, and if that was what he objected to, I think he need have no fear, because the tariff commission is intended to be merely an extension of the present board that assists the government with advice from outside men who are experts in this matter or who have had business experience in the various questions that come under consideration. Full information upon all these subjects could be laid before the government, and in this way it would come from a free and unbiased source, from the hands of those who are neither prejudiced nor interested. The proper placing of the tariff is a very delicate matter indeed, and those who have spoken in this House, the hon. member for Vancouver Centre (Mr. Stevens) and the hon. member for Fort William and Rainy River (Mr. Manion), besides several others on the opposite side who followed in the same course, have suggested a reciprocal tariff, a retaliatory tariff similar to that in the United

States. Well, such a tariff would not suit us at all; why should we want to imitate the United States? Surely to God we are a country of our own and do not need to copy any other. What we want is a tariff best suited to the needs of Canada, and we should frame such a tariff as the Canadian people themselves want. There are Canadian people who would not like such a tariff as is in force in the United States. Suppose for example we had a tariff on woollens, such as there is in the United States, so high that no woollens could be imported from Europe, from Great Britain or anywhere else. Are there not people who would object to that in this country? Yet that is the condition of the tariff in the United States. And would our shoe manufacturers agree to a schedule that levied no duty at all on shoes? But there is no duty on this article in the American tariff. Again, take agricultural implements; agricultural implements in the American tariff are free, and some hon. gentlemen opposite will agree with me that they never want to see these things free in this country. Certainly the city I come from, the constituency I have the honour to represent, would never think it fair, in view of the distance they have to send their goods, to say nothing of some of the disadvantages under which they have to make them, that they should all come in free. But I do not think we could ever expect to have a tariff that would be similar to the United States tariff or the tariff of any other country; we want to have a tariff of our own that is suited to our own needs. Now, I did not intend to say much about the tariff, but somehow the debates on the budget generally seem to take that angle, and I have ventured to make these few remarks on the subject.

There is another matter to which I should like to refer before I resume my seat. We hear a great many arguments with reference to what would happen to this country if an extremely high tariff, a thoroughly protective tariff, was adopted. As I say, the manufacturers in the city of Brantford are naturally not free traders, and I do not think anyone in this House would accuse me of being a free trader either. But while they are not free traders I do not know that they want a tariff that would, so to speak, reach the sky, the kind of tariff that some people have suggested, as high as Haman's gallows. There is a motion on the order paper in the name of the right hon. leader of the opposition (Mr. Meighen); I believe it came out in the newspapers even before it appeared on the order paper. It has been referred to in this debate, and if I am not out of order I should like to refer to it for a moment. He first adverts to the depression that prevails in the country and attributes it to the tariff conditions as they at present exist; then he goes on to state in very glowing terms—it is a beautifully written motion—what benefits would accrue to the country if those conditions were removed. Now, on the very first premise we do not agree with the right hon. gentleman. I do not agree that all the misfortunes of this country, all the depression of business, all the unemployment that exists, come from the tariff. These conditions are found to an even greater extent, as was shown here by the hon. Minister of Labour (Mr. Murdock), or at least to as great an extent, in the United States, which is regarded as a highly protected country. When the conditions exist there as they exist here, surely we cannot accept the suggestion that our troubles can be laid at the door of the tariff. I can remember thirty years ago when from 1893 to 1898 we had just as hard times, just as much unemployment, as we have now, though we were then under the old National Policy, which was passed in 1879 and continued from that year until 1897, I believe. There were just as many people out of work, just as many idle factories between 1893 and 1897 as there are to-day, so that I do not think the cause is correctly stated in my right hon. friend's motion.

Now, the results that are supposed to accrue from this imaginary policy—and the policy, mark you, is indicated only in the most general way—are extremely attractive; in fact, alluring—busy factories, happy homes, and all the rest of it. Holding the views that I do with regard to tariff, and coming from an industrial centre, Mr. Speaker, I should look at that suggestion, and I am sure every manufacturer in the city of Brantford would do the same, with a great deal of caution. They would be reminded of those words of Scripture: "Surely in vain the net is spread in the sight of any bird." Because they remember that the author of that resolution was the one who in 1910 was the first to moot the reduction on agricultural implements and ploughs. They remember that the right hon. leader of the opposition was the one who in 1919 in one fell swoop wiped the duty off farm tractors, of which some $20,000,000 were imported in two years, as a consequence of which the two factories making these articles in Brantford were put out of existence. They remember that he was the author of that; they have not forgotten it, and when they look at that notice of motion they wonder if he will do anything like that again.

Then, again, they remember that at the time the right hon. gentleman made these reductions the duty on ploughs was 22½ per cent and the duty on binders was 17½ per cent. If he wants to get their confidence, let him say to them: I moved to reduce the duty on ploughs from 22½ to 17½ per cent; if you put me back in power I will restore it. Will he say that? Will the right hon. member for Grenville, the leader of the opposition, pledge himself that if he is put back in power he will restore the duty on ploughs and the duty on binders? He should do that if he wants to get the support of those manufacturers. Will he even say that he will put it back to 17½ per cent, where it was when he left office? He is to speak in this debate; let him say openly and plainly what he will do; let him promise, if he will, to do that, or say that he will not do it. If he will do it I am sure he will be more likely to get the support of those manufacturers than he will if they can remember him only as the man who reduced the duty, as the man who came to them in 1921, when they had between three and four thousand men walking the streets, and made beautiful speeches about the value of protection. So they naturally are inclined to take with a grain of salt the protestations contained in this resolution until they are made much more definite than they are now as set out on the order paper. And when they see the alluring picture that my right hon. friend has drawn they cannot but say to themselves, "Surely in vain the net is spread in the sight of any bird."

Mr. SUTHERLAND: Will the hon. member permit a question?

Mr. RAYMOND: Certainly.

Mr. SUTHERLAND: Did not the people of Brantford at the last election vote in favour of the Liberal policy to remove the duty entirely on agricultural implements?

Mr. RAYMOND: I never knew that it was the policy of the Liberal party to remove the duty entirely, but they voted for me and it was not my policy.

Now, as I was going to say, Mr. Speaker, this is a serious question. To speak of the National Policy is but using vague terms; there is nothing definite about it. Let some definite statement be made as to what will be done before any such motion as is proposed by the leader of the opposition can be accepted by those who do not believe in free trade or do not believe in too low a tariff. I say they certainly will never believe in it until they see it more clearly set forth; and why should they? When I came to this House—and this is my fourth session—I was entirely ignorant of all public questions; I came here with a kind of ingenuous guilelessness which caused me to believe that what men said they meant. Now, as I have said, you know, Mr. Speaker, that no one would take me for a free trader; in fact, I have some protectionist proclivities in my cranium. At the first session the tariff as brought down in the budget was not exactly a protectionist tariff or a free-trade tariff. An amendment was moved by the so-called protectionists, the effect of which was that the King government had not carried out its pledges given in 1919. Anyone reading the amendment would say that hon. gentlemen opposite wished to see those pledges carried out. Now, I did not wish to see them carried out, I am free to say. At the next session an amendment to the budget was moved, I think, by the hon. member for Brandon (Mr. Forke) the respected leader of the Progressive party. All those gentlemen who had brought in this motion with reference to the pledges of the platform of 1919 turned in and voted with the Progressive party. Again last year, I cannot remember the exact form of the amendment, but it was not anything at all that would lead definitely to a protective policy. I stand open to correction if it was. Then take the amendment now before us. It avoids the question absolutely, and it merely speaks for a still further reduction of taxes in order to reduce the deficit of $110,000,000! That is the ridiculous position at the present time—a further reduction of taxes without any reference to protection or to anything else! While this may seem like a joke, to me it is a most serious question. It will stand forever on the records of this House, and cool-brained men will look it over and they will say, "Here was an ex-minister of the crown, one of the greatest financial minds in the country, who when, according to his own statement, there was a deficit of $110,000,000, proposed to remedy it by a still further reduction of taxes!" That will stand as long as the records of this House are preserved. There is nothing in this amendment. If the right hon. leader of the opposition were in earnest on this protective policy, and if he wished to get the support of manufacturers, I would expect to see him more definite. The first session I came to this

House I expected them to nail their protectionist colours to the mast and fight and die for them. But those colours are nowhere to be seen. We cannot tell how much is meant, or how little is meant, by this amendment. If they mean a reduction of the sales tax and so forth, if that is the important thing in their mind, how are we to get at their attitude on the tariff? That such a state of uncertainty should exist is not by any accident; it is by design, Sir. The right hon. gentleman knows well the feeling in this country. He has agents from the Atlantic to the Pacific who keep him posted, and he knows just as well as I do that if he came before the country with a policy of high protection he would find that six of the provinces would not send him a single supporter any more than they did in 1921; he would find that in the Maritime provinces, he would find that in the prairie provinces; he would get no supporters there; and he would find that he would not increase his following in Ontario, in Quebec or in British Columbia. He knows this, and that is why, I say, he avoids the question. If I am wrong—which I may be, because I am not infallible—if I am wrong he will have an opportunity to lay before this House definitely in the form of pledges the policy which he intends to pursue. But to carry that policy into effect, if it were ever in the power of any government to do so, I say most solemnly that I believe it would shatter confederation to its original fragments. That is not what we want to see. We want to see the provinces each like a separate little nation, all happy and bound together in the great nationhood of Canada. That is what we have aspirations for. We want Canada to accomplish something in this world. It seems to me that Canada stands for something. There is a kind of genius in the spirit of this country that is illustrated in its history and in the Act of Confederation—it is, Sir, the spirit of conciliation. Before confederation there were warring provinces that were almost at each other's throats, and there was no possible hope of agreement. But first came the spirit of conciliation, then the spirit of compromise, then the spirit of co-operation, and finally confederation. Let us preserve that confederation so established. On the other hand, if, as some say, there is danger of its being wrecked and ruined now, if, as they say, one-third of our population seek annexation, or if there are those at either end of the Dominion who do not believe in confederation, let us set to work at the task anew, let us start a new policy of compromise and co-operation, let us get this country into the proper state to be a united country. And we must do that if we want to have it become a successful country.

When I say the spirit of conciliation seems indigenous to the country, I think in all its history is no event we have more reason to be proud of than this, that it was on the soil of Canada that the warring English and French were united through the spirit of conciliation, of compromise, that spirit of conciliation and compromise eventuating in confederation, that while still in Europe, with only the narrow channel dividing them, English and French were fighting and killing one another, they were becoming united in this country for the sake of confederation. That is the proud part of our history, because the two races were united here long before the thunders of Trafalgar and Waterloo had died away. That is the spirit we need to-day, the spirit of conciliation, the spirit of compromise, and then the spirit of co-operation, if we wish to solidify and consolidate confederation. And in thinking how this might be brought about; it seems to me that if there is one man whose early history, whose long devotion to public duty in the service of humanity, whose whole life has led him to consider this question, I think he sits at times in this House—I do not know whether he is here or not now—his works as they have been laid before the world in the treatment of capital and labour, the two most difficult things in our social economy to unify, show that he did more to unite them than any other man in any country,—a man of whom it was said recently in Ottawa by a citizen of the neighbouring republic, "The greatest difficulties we have settled in the United States were settled on the basis of a charter provided for by your Prime Minister, W. L. Mackenzie King." And I say that spirit of conciliation has been the study of the Prime Minister's life. If that spirit is to be carried out, if these rifts, which some say exist in confederation, are to be closed, if there is any hope of keeping together the provinces and having them united in a happy and progressive country, I certainly believe that the Prime Minister is the man, who in the spirit he has displayed throughout his life is most likely to be effective in bringing about that great national undertaking.

Mr. JOHN MORRISON (Weyburn): Mr. Speaker, there is a great deal of criticism of the government on this budget, and I realize it is much easier to be critical than to be correct, especially when one is serving the public. I am disappointed at the tardiness of the government in not making more tariff

reductions this year. Hon. members to my right are chronic fault-finders; of course, it is impossible for a government to please them. It seems to be the duty of an official opposition to find fault, whether things are right or not. They will always cry, "Wolf! Wolf!" when nothing is wrong, and the public have learned to recognize that, and consequently pay very little attention to their criticism. They have been tried and found wanting. They ask the people to hustle these inconsistent Liberals out of office and to put them in; but they have nothing new to offer, nothing constructive. They still talk about the alleged virtues and sing the praises of protection, and attribute to the protective system any prosperity that we have attained in Canada. I submit that we have succeeded so far in spite of the protection afforded to the manufacturers which has borne heavily upon the rest of the people. The customs tariff is to the manufacturers and Conservative politicians a cure-all patent medicine. They claim it will raise our revenues by the duties collected on incoming goods. Yet they want it mule-high, bull-strong and pig-tight so as to stop all goods coming in. They decry free trade as ruinous, but they would go to the other extreme and have "no trade or truck with the Yankees"—Canada's best customers. That was their cry in 1911 when agriculture in Canada and all allied industries received a body blow from which this country has not recovered to this day. I submit, Mr. Speaker, that we suffered a greater monetary loss through the defeat of reciprocity in 1911 than we did from the Great war.

I think the government should have taken the duties off automobiles and auto trucks this session, removed the duties on cotton goods, and lowered the duties on many of the necessities of life. I should like to buy a new car this year. Would the Finance Minister advise me to buy a Canadian-made car or an imported car?

Mr. CAMPBELL: Buy an imported car and turn the duty into the treasury.

Mr. MORRISON: If I buy an imported car the price I pay is the actual market value, plus duty, and I turn a few hundred dollars into the federal treasury. Would that not be a more patriotic thing to do than to buy a car from a Canadian multi-millionaire and turn the tax into his private coffer? I find the idea spreading considerably in the west that if we cannot get the tariff duties lowered in any other way we shall have to start a propaganda in favour of buying imported goods in preference to the home made, thereby helping the Finance Minister to balance his budget.

The United States have put a tariff of 42 cents against Canadian wheat for home consumption, but they admit it free of duty when used in milling for export purposes. Our wheat is required to be blended with the United States wheat for home consumption. That makes it expensive for the American consumer, and it is also a hardship on the Canadian producer. A restriction of this character injures both parties. Would the matter be improved any by Canada putting an export duty on wheat, thereby curtailing the ability of the American millers to compete with Canadian flour in the world's market? Would it not be a much better plan for Canada to send an ambassador or a high commissioner to Washington, accompanied by a competent staff, in order to keep American public men properly informed as to Canadian conditions instead of trying to fight them? I believe that if we had had an ambassador or a good Canadian representative, at Washington the Fordney tariff would never have been imposed against us. If we had had such a representative at Washington the Chicago drainage canal would never have come into use, and our interests and the interests of shipping on the Great Lakes, both Canadian and American, would have been protected. Figures have been submitted to the House showing that millions of dollars annually are lost through the lowering of the levels of the Great Lakes. A great deal of this loss is passed on to Canadian manufacturers and Canadian farmers; as a matter of fact we all have to share it. Had we had a representative at Washington to present our case properly this loss might have been averted. It is much better statesmanship to make provision in advance and prevent a possible injury from being done than it is to try and devise a cure after the event has happened. The United States has been our best customer and Great Britain second. Our trade with the United States last year was over $900,000,000. Yet some people say we should have no truck or trade with that country.

The budget, I think, should be clarified by the Acting Minister of Finance. The estimates of ordinary expenditure for the fiscal year ending March 31, 1925, amounted to $381,949,379.67. If we deduct the appropriations for railways, amounting to $56,000,000, it would leave $325,949,379.67. Now on page 32 of the Canadian National railway report we find that the amount of $8,491,553.57 was loaned to the system by the government. The

estimates for the last fiscal year as they passed the House amounted to $329,086,395.97. The Finance Minister estimated the expenditure for the same period on February 28, 1925, as $319,700,000, the amount saved or unexpended would be $9,386,305.97. The latter amount is an apparent saving on the year's expenditure, but the Acting Minister of Finance gives no explanation of the manner in which so large an amount has been saved or unexpended, and takes no credit for what is, if actually achieved, a remarkable performance. If this amount had not been saved or unexpended, instead of a surplus of $1,820,000 there would have been a deficit of $7,500,000.

Now, Mr. Speaker, let me ask: How can Canada properly balance her budget? To this question I reply: By increasing production per capita; by increasing her population; by decreasing public expenditure; by getting nearer sound business methods for conducting the public business. I have obtained figures from the Bureau of Statistics as to yields of wheat in nine European countries and find that the average yield per acre for five years, from 1917 to 1921 inclusive, for the countries mentioned is as follows:

	Bushels per acre
Germany	26.4
Austria	15.4
Belgium	35.6
Bulgaria	13.4
Denmark	43.9
France	19.9
England and Wales	31.2
Norway	24.6
Czechoslovakia	20.8

This is an average of 25.8 bushels per acre. In those same years the average in Canada was 12.8, just half the yield per acre of these European countries. The average acreage in Canada in this period was 18,546,000 acres. At thirteen bushels extra per acre, this would mean 241,098,000 bushels. Other grains would double this total of increased wealth. Acreage can and I think would be doubled if inducements for profitable farming were held out in Canada. I would like our protectionist friends to consider what such production of wealth from agriculture would mean to industries generally. Suppose that they merely get their share of it, in the open competitive market, would it not be better for them to take a smaller margin of profit on a maximum output and keep their factories running to capacity? Would that pay our railroads to operate to maximum capacity? Would it not be better for our financial institutions and for all the people generally rather than that restrictions should be put on the basic industries so that there is no inducement for people to work at these industries. The basic industries of the country have to be on a properly sound basis before real stable conditions can be obtained for the dependent industries. It would be also better for labour. There would be much work in the country. Our protectionist friends are very solicitous for the poor working man, especially coming near election time; but if we had a maximum production and smaller profits, with a maximum turnover, there would be no idleness in the country. These poor yields of Canadian farms are not because the soil is poor or because Canadians are poor farmers, but there is a real cause for that low yield and I consider it is the excessive cost of farming in Canada. It is often impossible to farm profitably. Lumber and building materials generally, farm materials and farm supplies of all kinds are much too costly. It is a physical impossibility for men to carry the burden of somebody else and do their best in business. The same thing applies to industry. If an industry is burdened it cannot do its best. Every time an unfair burden is imposed on a man you decrease his productive ability and the same thing applies to an industry.

At a meeting of the Brantford Board of Trade, held on March 14, 1911, the following resolution, proposed by Mr. Harry Cockshutt, at present Lieutenant Governor of Ontario, was adopted:

> Resolved,—Our (1) material, (2) national and (3) empire interests will be best served by keeping entirely free of reciprocity entanglements with the United States at the present time. Carried 53 to 49.

About two years after this I was in Minneapolis and I saw the Cockshutt implements there selling in competition with American implements. I was in a wholesale implement warehouse, and I asked the manager how those implements compared in the amount of sales with the American implements and he said, "Oh they get their share of the trade" I was surprised to learn that the prices of Cockshutt implements in Minneapolis were very much lower than they were in Winnipeg. Unfortunately I did not take down the figures and cannot quote them, but they were very much cheaper in Minneapolis than in Winnipeg. It shows that when the Canadian manufacturer wants to compete with the American he can do so. Some people think that the Canadian manufacturer pays the duty on his implements going across the line, that he is handicapped and prevented from getting into the American market. There is

no handicap whatever. But the American is handicapped by the tariff in getting into our market. The Canadian manufacturer has that one hundred and ten million American market on the same terms as he has the Canadian market. He has the drop on the American manufacturer to that extent. The Brantford people are really high protectionists. I do not know why they send a gentleman down here posing as a Liberal. The hon. member who has just resumed his seat (Mr. Raymond) was finding fault with the Conservatives for their indefiniteness in their statements about the tariff. I do not agree with my Conservative friends about their customs tariff, but I must say that they come out and say where they are at. They state what they believe with regard to the tariff and our Liberal friends are disappointing the country. They have a good policy. They have one policy to preach at election time, to get into power. They appeal to the public on a low tariff policy, and when they get here it would take a magnifying glass to find out the difference between a Liberal and a Conservative when it comes to the tariff. It cannot be done. It is all popycock. About three weeks ago Lieutenant Governor Cockshutt toured western Canada as an emissary for the high protectionists. He handed out a lot of fine stuff about a "get together spirit" between the east and west, just what the hon. member for Brantford (Mr. Raymond) shot across the floor of the House a little while ago. He says "Let us get together, in a spirit of conciliation and good will"; but back in 1911 he did all in his power to take our natural markets from us. He has the same spirit yet, though he is a Conservative, exactly as the hon. member for Brantford is a good Liberal—no difference at all. I want to tell my hon. friend how we can have a good spirit of unity without going out west and waving the flag. That trip out west was only an admission that down in their hearts they realized that something is really wrong. The right way to overcome all this illfeeling which is growing, and this difference between east and west, between urban and rural, is just to give the common fellow a square deal, and there would be no need for flag-waving. The common people get no favours, and they should no longer be imposed upon. They are not satisfied to sit still and be imposed upon.

With reference to the tariff board which my hon. friend talks about, to advise the government as to what duties should be put on the different implements, I ask, has any manufacturer gone to any government, Liberal or Conservative, asking that duties be imposed on competitors, where the government have replied, "All right, sir, put all your cards on the table and we will look into the matter?" Did hon. members ever hear of that? I never saw it. It is time they got someone to inform them. I do not believe a tariff board in the hands of such gentlemen would be anything more than something to hide behind. Certainly they will put on the board men who believe in a protective system, and they will get the report from these men and say, "Here is what is recommended to us." They will make them the goat, and we will be the burden-bearers as usual.

A lot of this inability to compete with outsiders is due to difficulties of the home-made variety. For instance, not long ago I cut a clipping from a Montreal paper with reference to the Montreal Light, Heat and Power Company having watered stock. They watered the stock in that company four times the amount they actually put in, and then they charged rates to pay dividends of seven per cent all these years. Here is the dope that the Montreal manufacturers swallowed. Their employees were charged four times the rate for their light bill, and it made living in Montreal very expensive. Whenever a new company started to supply heat, power and light, the old ring would get after it and give a good inducement to it to come into the combine. This was done until they got a combine capitalized at something like $164,000,000. This was over capitalization all tacked on to the cost of the product of the factory, because it makes living expenses higher and the companies accordingly have to pay higher wages. Then they keep their competitors out with a tariff wall and they say: Charge it to the farmers of the west; they are making money; they can pay it. A few years ago when a Toronto manufacturer was trying to shake me on this tariff question, I asked him: "Why do you not even sell us your goods for the same price plus extra freight charges, at which you sell them to the Ontario and Quebec farmers?" He said: "Look here, Morrison, you know the way business is done—all that the traffic will stand. You fellows are making more money and you can afford to pay more than the Ontario farmers can. We have got you farmers down where we want you and we are going to make you pay. If the position was reversed, you would do the same." After talking about two hours, he got impatient, finding that he could not get away with his guff, and so he spoke out the truth.

Employers who enjoy special privileges either by protection, or bonus, can give a better inducement to labour than the farmer can, but they do so only at the demand of the labour unions. Their bonus is the farmer's burden,

as we cannot compete in the labour market. The result is that Canada's output per acre of farm products is only one-half of what it would otherwise be.

Canada needs more workmen to work and develop her basic industries, and care should be exercised in getting immigrants. Better inducements will have to be given in order to keep people on the land. To start immigrants farming the first year they are in Canada is a serious mistake, because such a practice results in their losing their money. Then, of course, the country is knocked, and efforts at immigration abroad are undone. A man should be in this country for at least one season and acquire some experience, before he invests his little bit of money. It should be an easy matter to compel every immigrant to have in his possession as a part of his passport, a document in his own language, furnished by this government, setting out clearly Canadian conditions, and the Canadian immigration law. This would do away altogether with the old cry of deception which so many immigrants put up when they lose their harvest earnings in a poker game. People coming to us from the British Isles are particularly faulty in this regard. This could easily be set right if some one seriously minded was interested.

Experience on Canadian farms is necessary, for one year at least, and settlers should be established or domiciled within already improved municipal areas, which now have railroad, roads, schools, churches and post offices, It is folly to put them away back too far from these conveniences. Conditions would be too bad for them and many of them would become dissatisfied. It is unnecessary to provide more public utilities to take care of the increased population until those municipalities which have those conveniences and have to pay for them are better settled. Conditions have changed much for pioneers within the past twenty-five years.

We need an agricultural credits' system as is recommended by Dr. Tory in his report. On page 12 of Dr. Tory's report, he states:

> I have discussed the problem with many business men in the east and in the west, men who know the difficulties associated with the building up of successful enterprises and I have not met one who would say that he believed that any business—farming or other,—which did not have the advantage of a protected market, or of patent rights, which in some measure gave a monopoly, could continue to prosper, paying 8 per cent or 10 per cent for capital, and a like amount for current borrowings. With this opinion my own judgment is in complete accord.

Capital and labour must learn to co-operate and fairly to recognize their interdependence. Western Canada needs more of both, working harmoniously. Wasteful competition of our two big railway systems must cease. We can no longer pay rates to maintain public-utility corporations overlapping and duplicating services. Our banks, retail coal companies, retail lumber-yard companies, newspaper publishing companies, and others, are all meeting the new conditions by getting together, one firm closing in one town, their rival closing in another town. They have been forced to co-operate or perish. Let our railways do likewise, and cut down their unnecessary overhead costs, instead of moving heaven and earth to get higher rates. This country cannot prosper under higher rates. I have been enumerating some of the industries that have closed some of their branch offices, and I would submit that some of these institutions are amongst the 2,000 that have closed their doors in the last few years. I believe there will be a few more that will close on the same basis, but business is improving with it all.

Those of us who have to pay freight charges, largely both ways, are very much interested in getting better rates. We have to pay the freight on our purchases of implements, twine, lumber and coal, and again we have to pay the freight on our live stock and grain going out. We are intensely interested in seeing efficiency in railway management.

I am going to mention a matter that is not altogether federal, but something will have to be done to remedy the situation. Last fall a taxation conference was held at Ottawa and the Dominion and provincial governments sent representatives. The object of the conference was to define more clearly the respective spheres of taxation, and to eliminate all unnecessary duplication. I do not know what measure of success attended their efforts, or whether they accomplished anything to benefit the heavily taxed citizen. I am about to cite a case in dispute between the provinces of Saskatchewan and British Columbia and this case is typical of many others. A farmer from Saskatchewan moved to British Columbia where he died three years later. He had sold three farms on agreements of sale. The British Columbia government collected succession duties on those agreement-of-sale contracts, and to-day the Saskatchewan government is trying to collect succession duty on the same agreements of sale. I am not accusing the Saskatchewan government nor excusing the British Columbia government. I know all the parties concerned, and I know it is very hard on the widow and

the children to have to pay the succession duty twice. Succession duties on bequests outside of a province come doubly high at any time, but to have to pay them twice is very unfair. The federal government should call another taxation conference as soon as possible at which all the provinces should be represented. As regards any matters on which they cannot agree, let them decide at this conference that they will split the difference fifty-fifty until they get from the Privy Council a decision on the matter. I spoke to our Minister of Justice (Mr. Lapointe) who, I know, is not responsible in any measure. He told me that he could no nothing and he advised me that they could take the matter to the Privy Council. What a privilege! The widowed mother would have a fat chance to take her case to the Privy Council. She would have no chance at all. She will have to pay the duty twice if those men will not compromise and go fifty-fifty on this tax. I do not think that the governments of these provinces should be allowed to demand the tax a second time; that is getting down pretty near to what we might call tyranny.

On page 4690 of Hansard, volume V, 1924, the following question by the hon. member for Brant (Mr. Good), together with the reply by the Prime Minister (Mr. Mackenzie King), is reported:

On the Orders of the Day:

Mr. W. C. Good (Brant): Would the Prime Minister give the House an assurance that the Alternative Vote bill, which had already received its first reading, will receive consideration early next session, and further that there will be no election, as far as he can guarantee that, between now and then?

Mr. Mackenzie King: In reply to the first question, I may say that if we are all here when parliament re-assembles, certainly this alternative vote measure will be one of the first to be brought before the House.

I wish the Prime Minister were in his seat to tell us why this matter has not been brought before the House. It is very necessary if he intends to bring it down that he should move quickly, if he does not want to put all the blame, in the event of its being deferred, upon the poor old Senate. The Senate has its own burdens to bear. I think the Prime Minister should have lived up to his promise and brought down this legislation.

On page 1475 of Hansard of the present year the Acting Minister of Finance (Mr. Robb) in introducing his budget gave notice of the following resolution with regard to the Special War Revenue Act.

Resolved, That it is expedient to introduce a measure to amend The Special War Revenue Act, 1915, and to provide:—

1. That "cheque" shall be further defined to include any document or writing, not drawn upon or addressed to a bank, in exchange for which a bank makes payment of a sum of money, except a coupon and a document used solely for the purpose of settling or clearing any account between banks, and that such a cheque shall be liable to the stamp tax imposed on cheques by the said act.

That I contend is singling out a certain class of people in the country for another extra burden—I refer especially to the creameries. We farmers know that when a man sends his can to the creamery he gets a receipt or ticket, and according to this proposed legislation he will be taxed on a dollar or two dollars receipt. We would not object if everybody were treated alike and if this provision read, "'Cheque' shall be further defined to include any document for $10 or over." We do object, however, to being singled out for a tax like this, especially in view of the fact that the Acting Minister of Finance took care to retain the good will of those gentlemen who are fortunate enough to have the pleasure of clipping coupons, which are exempt from taxation. That is rubbing it in with a vengeance, and the government cannot expect Progressives, who are largely representatives of farmers, to stand for additional burdens. It is not a square deal; all should be treated alike. Why exempt the rich man and tax the farmer engaged in the dairy business?

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. MORRISON: Mr. Speaker, when the House rose at six o'clock I had practically finished speaking. There is one other matter to which I wish to refer, and that is the case of the Home Bank depositors. When the Prime Minister toured western Canada last fall he was interviewed by committees of the Home Bank depositors for a statement as to what the government intended to do for them. He promised them that the government would bring down a bill this session for the relief of the Home Bank depositors, but he warned them that the Senate had the last say, as they did in the case of the branch lines bill of the 1924 session. Since the Prime Minister and the government realize this, I would urge upon them the necessity for immediate action in bringing down a bill for the relief of these depositors. The distress that has followed the failure of the Home Bank is widespread, and the government will certainly share the blame if the measure of relief that is proposed is not brought down in plenty of time to enable the Senate to deal with it.

Mr. AIME DECHENE (Montmagny) (Translation): Mr. Speaker, the discussion on the budget resolution and its amendment by the hon. members who preceded me in this debate, only tend to show, first, that no one gives a thought to the Tory amendment, and secondly that, for the greater part, the attitude taken by the government in the present circumstances is justifiable and is the only reasonable one.

In fact, the Tory amendment has been entirely lost sight of. Very few of the hon. Conservative members themselves have ever taken the trouble of discussing it. The public has a right to wonder if this amendment were moved in good faith to expound a programme and the policy of a party, or if it were not simply a means of obstruction, by which they tried to prevent the Progressive party from introducing an amendment themselves, which might have had for effect—although one may question the fact—to throw into the discussion new ideas which might lead to a policy productive of results and aiming to create useful developments in our trade and administration. The Tory amendment had as a result the setting aside of the one moved by the Progressive party and to prevent, to some extent, any move which might bring on a discussion capable of producing effective measures for the welfare of the country. It is not astonishing therefore, that the Conservative amendment was entirely ignored, and that even the press of the country paid no attention to it; the amendment was given a public funeral, as it well deserved.

Mr. McMASTER: Hear, hear!

Mr. DECHENE (Translation): The discussion brought out the general tendency, in various parts of the country, to ask for favours and want special treatment, because one happens to live at a distance from large cities, or reside far away from the populated centres, because of lakes, mountains, and so on, in fact, every reason has been invoked to prove that each section of the country must receive special treatment.

A number of hon. members have spoken at length about the remedy for their local problems. Those from the west can only see what is of interest to the great prairies, without ever thinking that in the eastern provinces, in Ontario and Quebec, there might also exist very difficult problems to solve among the various social classes. Indeed, if it is important to find new markets for the western wheat, if it is also important to find markets for the Maritime provinces, it is equally important to consider for a moment the problems which the central provinces, Ontario and Quebec have to deal with. This aspect of the question is too often forgotten. Everyone preaches for his own town and few seem to realize the fact that there is but one Canada, and not two.

Mr. McMASTER: Hear, hear!

Mr. DECHENE (Translation): The policy followed by the present government, purports to do away with this sectionalism and unite all parts of the country into one great whole, to which all citizens will be proud to belong. With the success that the present government policy meets, we can hope in a nearby future, to see in our country more citizens proud of calling themselves Canadians, instead of calling themselves, English, Scotch, Irish or claim to be of any other nationality. To desire a united Canada, is to want to be a Canadian citizen who will be proud of his title of Canadian first. We must congratulate the government for striving to create a policy which makes for the unity of the whole country and which tends to infuse in all citizens a pride in their citizenship.

We have, unfortunately, noticed, in the course of the present session, that this tendency to sectionalism has gained a certain leader of a party. Have we not to regret to note such a feeling expressed in a resolution moved in this House, at the beginning of the session, by the right hon. leader of the opposition (Mr. Meighen)? In fact, if we consider the last paragraph of this resolution which, as it seems, aims at setting forth the policy of the Conservative party and checking in advance the effect of the budget brought down by the government, this is what we read:

> That to enable the products of the western and Maritime provinces to reach more readily the markets so developed the special transportation burdens borne by those provinces should be shared by the whole Dominion either by contribution to long haul freight costs or by assistance in some other form.

Mr. McMASTER (Translation): This is sectionalism!

Mr. DECHENE (Translation): It is, therefore, fomenting disunion, which seems to have always been the principal aim of the Conservative party: Divide to govern.

Mr. McMASTER: Hear, hear!

Mr. DECHENE (Translation): However, I think that in the present circumstances, the Conservative party has been ill advised, and that the citizens of this country will greatly disapprove of this appeal to sectionalism, to narrow-mindedness, so as to try to get into power.

Indeed, what will the people of Quebec and Ontario think, when they hear that the Conservative party has in its platform, such a clause which endeavours to shift on to their shoulders the burden due to the remoteness of markets from the western and Maritime provinces? I do not think the farmers, the town's people or the manufacturers are willing to shoulder the whole burden of taxation—whether it be for railways or anything else—which results from the outlying position of the provinces occupying the four corners of this country. The plain statement of this policy, Sir, makes us realize the danger that exists in fostering this narrow-mindedness, this sectionalism, a danger not only to individuals but a very great one to the country itself.

Another point that the debate has brought out clearly, is the stand taken by a great number of citizens who expect the government to do everything, without any effort on their part and without their trying to obtain the best results possible with the means actually at their disposal. If we have a problem to solve or a difficulty to meet, immediately we come to the government, and the latter must find a solution to the problem. It often happens, I might even say it is always the case, that the best solution to a local problem is the one that a member himself, private, concerns or corporations can bring about, when they wish to take the trouble of utilizing the means at their disposal.

Mr. McMASTER: Hear, hear!

Mr. DECHENE (Translation): I shall, in a short while, give you a striking example of what can be accomplished by the initiative of a person or corporate body along those lines, however, for the moment my thoughts are concentrated on what is considered to be a more serious problem. Last year, if I am not mistaken, the government was criticized for a lack of consistency in the tariff. Our Conservative opponents were the most bitter in these attacks. This year, because the budget changes are not as numerous as last year we hear quite a different cry: too much stability in the budget, too much stability in the tariff! How are we to please these gentlemen? If the government inaugurates a new policy, one hears: You should not touch this and that! If we get practical results, these gentlemen tell us: You should make changes here and there! It is difficult to find a solution which will be agreeable to them, and their own resolution is a proof that they have not found one, except by carrying on obstruction. Some one whispers to me that we should ignore them. I think the country did well to ignore them. At the last by-elections, the country was called upon to judge between the government's policy and that of obstruction, and, I think, I can say with my hon. friend that these gentlemen have been ignored not only by the House but by the public as a whole.

Mr. McMASTER: Hear, hear!

Mr. DECHENE (Translation): More than once, in the course of this debate, we have heard certain members demand new markets for our products. It is the proper time to examine what the present government has done to obtain more favourable openings for Canadian products. If we review the legislation already enacted, if we look into the treaties negotiated under the present regime, we may designate this government as: the government of trade conventions.

We notice in that sphere considerable activity. Indeed, never have there been as many trade conventions directly negotiated between Canada and other countries, as by the present government. These various conventions have brought us important business. That is a worthy achievement for which we must give thanks especially to the hon. gentlemen who negotiated the treaties. As a result, have we not noticed that our exports have increased in a most extraordinary way? If we consider one kind of products only, we are aware, for instance, that our exports of farm products amount to more than $500,000,000 which is equivalent to more than half our total export trade of $1,070,611,616.

In fact, in 1922, we exported farm products to the amount of $532,820,457.

In 1923—a year after the present government came to power—our exports of said products amounted to $553,069,240, that is already an increase of $21,000,000.

In 1924, we continued our ascending march; our exports amounted to $598,729,385, in farm products alone, that is more than half of the total exports of this country. The result of this large exportation of our farm products has been of a twofold nature: first it brought considerable revenue to the country and, secondly it has stabilized prices in this country. Indeed, if our exports had not been greater than what they were during the last years of the Conservative government, I think that the price of farm products in this country would have been so low that most of the farmers would have been forced to abandon their farms; however, under the present administration, thanks to the trade conventions signed with various countries, we have noticed a great improvement. The

farmers throughout the country must be pleased with the results obtained in so short a time.

One of the tariff measures most criticized was the preference which Canada gives to the products imported from Great Britain. Often, when something goes wrong in a city, we hear: Oh! this is caused by the British preference. In the course of the budget discussion, which has been going on for nearly a month, very few speakers seem to have gone to the trouble of informing us as to what the British preference has cost us and what are its benefits. The British preference applies not only to Great Britain and Ireland, but it applies also to all the various colonies or dominions which make up the empire, when these dominions grant us a preferential tariff of a likewise nature. Our best client for farm products is, without any doubt, England herself. In fact, out of the $598,729,385 of agricultural products exported during the year 1924, our exports to England amounted to $337,813,146; this means that more than half of our exports to England consists of the products or by-products of the farm. This seems to be quite an excellent reason in favour of the preferential system; however, there is also the reverse side of the medal to look at: What do we import? That is especially what is considered ruinous for our country. If we stop a moment to consider the total products imported from England, we notice what others have observed before us, what Benjamin B. Wallace, of the United States Tariff Commission, has himself stated in the annals of the American Academy of the political and Social Sciences. This gentleman, who devotes his time to economic questions, tells us—I may state broadly—that the British preference granted in 1896 did not prevent the decrease of Great Britain's share of trade in the products which she exported to Canada. This is not a Canadian, or an Englishman, but an American who is struck by the fact that this preference did not prevent Great Britain losing ground and witnessing the decrease of her percentage in products exported to Canada. And he gives the following list: in 1883, our imports from Great Britain amounted to 42.3 per cent of the total imports; in 1893, the decrease had already begun to be felt and these imports amounted to only 35.5 per cent; in 1903, the downward trend continued, these imports amounting only to 25.2 per cent of the total imports; in 1914, we notice the same downward trend 21.3 per cent; in 1923, the English share of trade had still decreased and the British imports amounted to only 17.6 per cent of our total imports; in 1924, after the tariff changes so much criticized, we still notice that the figures have again fallen, and that the imports which come from England amount to only 17.02 per cent of our total imports. According to the statistics of this American gentleman, I think that the British preference has not been so unfavourable to us as one wants us to believe.

However, our imports from the United States have followed an absolutely different course, they have always been on the increase and the percentage of American goods compared with that of goods imported from other countries indicates a continuous increase, and this notwithstanding that there exists no preferential tariff in favour of the United States. We quite often hear—we have heard it in the House on a number of occasions—members quote instances of industries being ruined by this British preference.

I shall myself give, as briefly as possible, examples of the conditions of some of these industries, and I think that the instances I shall quote to the House will suffice to prove that one tries to throw the blame on the Imperial preference for all the evils which we suffer, from wherever they may come from.

For instance, one often hears of the boot and shoe industry. The statistics in regard to this industry afford us a very striking example. For an industry "ruined", it seems to enjoy a most marked activity. From 1921 to 1923 inclusively, the number of boot and shoe factories in Canada has increased from 177 to 186. The value of the output of these factories increased from $44,665,381, in 1921, to $45,596,012, in 1923. The 1924 figures have not yet been compiled.

There is, therefore, an increase of nearly a million dollars in the output of boots and shoes in this country for the said period. The absurdity of the assertion that this industry is ruined owing to an unfair competition by the manufacturers of Great Britain, due to the preferential tariff is clearly seen by comparing the imports of boots and shoes from Great Britain and the domestic output. Although the imports of Great Britain have increased somewhat owing to a higher preference, the total is not sufficient to seriously hurt the Canadian manufacturers. With a domestic output amounting to $45,596,012, in 1923, the British imports were only $604,472.

The increase in 1924 only brought up this figure to a little more than one million dollars, to be exact $1,018,082, or again one forty-fifth of the Canadian production.

On the other hand to counteract this increase, we have a decrease in the imports of boots and shoes coming from the United States. The decrease, in 1924, amounted to $121,465 compared with the imports of 1923. The net increase of foreign competition, amounts to $292,091, this is therefore far inferior to one per cent of the total domestic expenditure and gives a smaller percentage in increase than the home production. I therefore, think that these figures are sufficient proof to us that it is not the British preference which causes trouble to the manufacturers of this country. They can hold their own against foreign competition in other countries where they sell their goods; I therefore see no reason why they cannot face British competition in our own country.

Another industry that we often hear about and which is occasionally pointed to as ruined, is the woollen industry.

In 1924, Canada purchased nearly $2,000,000 less of wool and woollen goods, than in 1923. As it is stated that British preference has the effect of ruining the Canadian woollen industry, it is interesting to note that in regard to the wool bought from the United Kingdom, there has been a decrease of nearly $2,500,000 in 1924, compared with 1923. The figures are as follows: in 1923, the imports of wool from England amounted to $35,520,730; in 1924, the figures are $33,163,186. During the same period there has also been a decrease of $556,778 in the purchase of woollen goods coming from the United States.

The woollen industry in Canada has not been the only one to suffer in the world crisis of woollen and cotton goods. I shall call as a witness Mr. Pierce, President of the American Woollen Company. The latter in submitting the yearly report of said company, stated that the depression in the trade of American woollen goods, in 1924, had been the worst since the year of the Civil war. The loss of $11,970,000 sustained last year, by that company is the greatest deficit which it has ever had to register.

I think that the statement of Mr. Pierce clearly indicates that the woollen industry was still in a worse state in the United States than it was in Canada, and that it is not the British preference, nor even the general tariff which is the cause of the depression which we may have had to suffer from in this country. however, if there was quite a marked depression, in 1921-22, in 1922-23, we notice already an improvement. In fact, there were, in 1922, 137 woollen mills, at present there are 141; the capital invested in this industry increased from $37,102,382, in 1922, to $43,148,218, in 1923, that is an increase of over $6,000,000. The output which amounted to 29,062,751 pounds, in 1922, had increased to 33,472,087 pounds, in 1923, that is an increase of 11,000,000 pounds. For an industry which is being ruined, really I think it is very fortunate. There are many people who would like to be ruined in that way.

The cotton industry also suffered considerably, and the opponents of British preference delighted in spreading that it was due to that "bugaboo" and that English and American cotton goods were ruining us, especially the English cotton goods.

During the year 1923, the imports to Canada of cotton goods decreased nearly $4,000,000—$3,849,689 to be exact. The imports from the United Kingdom, under the British preference amounted to $538,100 less than in 1923. This is only another proof that conditions are improving in our home industry, and that there is an increase in the purchase of raw cotton for our Canadian mills. For the following three years the imports are these: In 1922, $22,455,546; in 1923, $30,780,915, and in 1924, $25,576,764.

In a word, the cotton industry has always been improving in this country, and I do not think that there is cause to consider as serious the cry of alarm spread by the manufacturers who always seek more protection, without considering the true facts. The exact cause of the closing of cotton mills in this country, has not been the lack of markets, but is due to the bad cotton crops in the United States and to the high prices reached by the raw cotton in the countries where it is grown. These gentlemen seem to have reaped handsome profits. Their mills resumed work early in 1924; and I do not think they can claim that, if the business was not what they expected it to be, it is again due to the British preference. One of the general results of the British preference has been to serve as a lever or to stabilize prices in this country. Not only should the interests of manufacturers be considered, but also those of the consumer, of the masses.

Mr. McMASTER (Translation): Hear, hear! It is the first word spoken on behalf of the consumer.

Mr. DECHENE (Translation): I hear the hon. member for Brome (Mr. McMaster) saying that it is the first word spoken on behalf of the consumers in the course of this debate. I thank him very much for the compliment, I fear, however, that is not quite exact, because, in the course of his splendid speech, he has given us proof that, he, him-

self, takes an interest also in the consumer, and with success.

It is flattering to be able to point out to tourists, in a city, twenty, thirty, forty or fifty homes of millionaires and add: These are the owners of the large mills of this country, the masters of the working classes, that live there, they are responsible for the good and bad times; we must not forget, on the other hand, that apart from the millionaire, there is the people, the consumer. The millionaire does not make the wealth of a country. It is not because there are in the United States 125 millionaires possessing to themselves, one-tenth of the total wealth of the country, that the American Republic is wealthy! No, it is because the wealth is distributed among the masses. The manufacturer has no vested right to exact a living from the consumer; the industry is established to supply the consumer, generally, what he needs. It is the consumer who is the mainspring of all prosperity, of all national wealth in a country. It is, therefore important that the government should endeavour, as much as possible, to supply the consumer, the middle class of a country, the means of living comfortably, even with a certain ease. without for all that ruining the manufacturer. What makes the manufacturer prosperous, Sir, is the wealth of his client; the client of the manufacturer, is the consumer. You find the proof of this truth in the daily incidents of our Canadian national life. If in the west, the crops are bad, if prices are down, the client the consumer in the west is not rich, he buys little and he becomes a poor client for the manufacturer; however, let a good crop turn up, let the time come, when the financial conditions of that part of the country improve, immediately our fellow citizens of the west become buyers, become good clients and the manufacturer immediately benefits thereby. I think that the government is wise to give the greatest encouragement possible to the development of trade, especially to that of the farm products, so that the town people may get these products with the greatest facility possible, while allowing to the country people, the farmers, a fair profit which will permit them to better their lot and become good clients for the manufacturers.

I see, Sir, that I am enlarging somewhat on the subject. I shall try and be as brief as possible. I stated, at the outset of my remarks, that among our population, there existed too great a tendency, in certain parts of the country, at least, to expect everything from the government, and not to rely sufficiently on one's personal initiative or one's judiciously concentrated effort to obtain excellent results, and I shall give a more striking instance of what can be done by the concentrated effort of a few to obtain a beneficial result for the masses. You will recall, Sir, that from the very first days of March, a group of members were striving to improve the lot of the rural classes, which constitute the greater part of their electors. The members who thus united were those of lower Quebec. They chose a chairman and, under the direction of the latter they immediately settled down to the task of obtaining results which they thought would be beneficial to their electors. Briefly, this was the problem: The southern part of Quebec has to put up with the same isolation as that of the northeastern part of New Brunswick. These gentlemen met so as to consider if it was possible to improve the conditions of their people and to better the means of shipping the potato crop which they produce in large quantities in that region. The market seemed closed to them. They live in the most remote eastern parts of the country. There existed a large market in the west which they had to reach at all cost, and this is the letter which these members sent to the chairman of the railway commission.

OTTAWA, March 4 1925.

DEAR SIR,—As Chairman of the deputation that visited you this morning, I beg to express our feeling of extreme gratitude for the kindly hearing and courtesy you have shown to our delegation to-day.

This deputation was composed of the following members of parliament: Messrs. Pius Michaud (Restigouche-Madawaska); J. G. Robichaud (Gloucester); W. B. Snowball (Northumberland, N.B.); Aimé Déchêne (Montmagny); J. F. Fafard (L'Islet); F. J. Pelletier (Matane); George Bouchard (Kamouraska); J. F. Pouliot (Témiscouta); Sir Eugent Fiset (Rimouski).

The main object of our deputation was to expose to your Lordship the awkward and extraordinary situation in which we, the representatives of the lower part of the province of Quebec and the upper parts of New Brunswick, are placed. Geographically speaking, we are situated at the tail-end of the western market and at the head of the eastern market. Apparently, we are like orphans, who do not belong to the respective provinces in which our counties are situated, and that is the main reason why we decided to approach your commission directly on behalf of our own population.

The main points that we discussed with your Lordship were: freight rates on potatoes, freight rates on lumber and express rates on fish; but the most pressing part of our problems at the present time are the freight rates on potatoes. Our population faces not only ruin and disaster, but on account of the extraordinary crop that was grown this year in the counties above mentioned (between 15,000,000 to 19,000,000 bushels of potatoes) the farmers, on account of the exorbitant rates that are being charged by the Canadian National Railway for the transportation of this product, which is the basis of the economic life of our population, are

threatened to have on their hands, not only the whole of their crop, but will be compelled, if matters are allowed to go on the way they are at the present time, to stop further production and cultivation of this main staple of life.

With regard to lumber: in all the counties that were represented at this interview are operating some of the largest lumber companies in Canada; and if you add to this the fact that on account of our system of colonization, the farmers are compelled by the different provinces to cut and sell part of the timber on the lots as allotted by each province in order to build their homes and have enough cash to maintain their families before the land can possibly be placed under cultivation, you will realize how important it is, not only for the lumber companies, but for the local population.

With regard to the fish industry: express rates that are being charged are not only high, but have never been adjusted (and on some of the branch lines are absolutely prohibitive). Notwithtsanding the bonuses that our fishermen get from the federal government, the fishing industry is threatened with absolute disaster if those express rates are not adjusted by your commission.

Our main object in approaching your commission was to avoid the discussion before the special committee of the House or before the committee of the Whole, the question of transportation of these special commodities, which pertain entirely and absolutely to your commission. We feel and believe that in approaching the properly constituted tribunals of this country, we will arrive at a more material result than trying to raise a fuss on the floor of the House, where such things should not be discussed, except as a last resort.

We therefore hope, Sir, that you will take into consideration our requests, and that immediate steps will be taken by your commission to remedy this state of affairs.

Once more, please accept, in the name of all of us, the expression of our deep feeling of gratitude for your kindness.

Yours very truly,

EUGENE FISET.

This was a concerted movement on the part of a few members of parliament to obtain, through existing channels recognition of what to them were just and equitable claims. They did not come before parliament asking for this and that, they had recourse to established ways and means. The results are outlined in the very letter that Sir Eugene Fiset received from Mr. H. A. McKeown, chairman of the Railway Board of Canada:

Board of Railway Commissioners for Canada

OTTAWA, March 5, 1925.

MY DEAR SIR,—Thanks for your kind favour of yesterday afternoon. It was a great pleasure for me to meet yourself and the other members of the deputation. If you and they are convinced that the board is anxious to do everything possible in assisting the business of the country, we have made some headway to a better understanding, which surely will be profitable all around.

I specially call the attention of the House to this last sentence as quoted above:

I am extremely pleased to be able to say that progress has been made in meeting the wishes of your delegation concerning the matter which presses most heavily upon the people whom they represent:—

I refer to the potato situation.

[Mr. Dechene.]

As you were advised yesterday, the potato growers of the interior part of New Brunswick had already approached the Canadian Pacific Railway Company with a view of securing a substantial reduction in rates to the west. There is, I understand a fairly good market in western Canada, which, however, is being attacked by United States potato growers, and the reduction secured by the New Brunswick delegation satisfies those gentlemen that they can now do business in the west at a profit and overcome the American competition.

Now of course, the reduction thus secured by them did not benefit your people at all, but after your deputation left, I took the matter up immediately over the long distance telephone, and found that the Canadian National Railway Company was considering a reduction to meet Canadian Pacific Railway competition, but it had not been determined upon, and at any rate, it was not intended to apply outside of the Maritime provinces. While such reduction by the Canadian National Railway would be pleasing to Mr. Michaud, Mr. Robichaud and Mr. Snowball, it would leave our good friends in Montmagny, L'Islet, Matane, Kamouraska, Temiscouata, and your own constituency, Rimouski, out in the cold. Nothing was settled last night, but after consultation with our Chief Traffic Officer, I took it up again this morning with the Canadian National Railway officials in Montreal, and am extremely pleased to be able to say that on further consideration, and in view of its importance to the parties interested, and in consequence of the strong representations made by yourself, Mr. Dechene, Mr. Fafard, Mr. Pelletier, Mr. Bouchard, and Mr. Pouliot, they have been able to secure for their constituents exactly the same favourable rates which the St. John River potato growers obtained, and which are low enough to enable the New Brunswick men to do business in the west successfully.

The new tariff will be out on the 9th of this month. It will be in force for 90 days. Following the ratio of Canadian Pacific Railway reductions, there will be on the Canadian National Railway a rate of 52½ cents per 100 pounds from Montmagny, L'Islet, Kamouraska and Temiscouata west of Rivière du Loup, from points in these counties to Armstrong, Ontario, on the Canadian National Railway. The same proportional rate carries from Maritime province points on the Canadian Pacific railway to Fort William and Port Arthur. Beyond these points to destination, a fairly low commodity rate prevails, varying according to distance.

East of Rivière du Loup, the railways have made three groups. The first being known as the Halifax group with a rate of 57½ cents; Restigouche, Madawaska, Gloucester and Northumberland are included in this group. Next is a Prince Edward Island group with a rate of 57½ and 58½ cents. Finally comes the St. John group which has a rate of 55½ cents. This is the figure which affects the St. John River potato growers and which is satisfactory to them.

From this you will see that your people are getting an advantage corresponding to that which the others enjoy, and I feel like congratulating the constituencies concerned, upon the wide-awake interest which their representatives have shown in this particular.

For Mr. Robichaud and Mr. Pelletier, there still remains the question of the two independent or semi-independent railways in their constituencies, which complicates the situation for them. They will both understand, I think, that this will have to be dealt with independently, and I can assure them that the matter of freight rates on independent lines is being given close scrutiny. Any unfairness in that respect will be dealt with upon application.

You might be good enough also to say to the members of the delegation that, as regards the question of rates affecting lumber and the fish industry, in both these matters the board will try and meet the situation. We will have to have some more particulars concerning them and, as far as lumber is concerned, it will probably be involved in a general consideration of rates. But the fish business is more pressing, and if the members immediately interested will take it up with me more in detail, I assure you they will receive a sympathetic hearing.

I hope the above makes the situation clear. I am writing hurriedly as I want to go east this afternoon to attend Mr. Pugsley's funeral, and details were only completed as to territory and rates at noon to-day, and I must also advise Mr. McLean of Prince Edward Island.

If I may add a word of suggestion to your people it would be that they get into the western market without delay—if I know anything of my own people down in New Brunswick, I am assured that they are not letting any grass grow under their feet in disposing of their product.

Looking forward with pleasure to seeing you and your colleagues again at an early date, and assuring you of the board's desire to be of the utmost assistance in traffic matters,

I beg to remain,

Very sincerely yours,

H. A. McKEOWN.

Sir EUGÈNE FISET, K.B., C.M.G., M.P.,
House of Commons, Ottawa.

This letter shows quite clearly, Mr. Speaker, that the united efforts of a few hon. members together with a few private citizens who believe in making use of the established administrative machinery of the country to obtain what they consider right and just, are decidedly useful, are in fact, the very best way to go about obtaining redress in this country. The action of this group of members was generally applauded throughout the counties concerned and the hon. Minister of Agriculture of the province of Quebec, apprized of the matter, immediately wrote the following letter to the hon. member for Rimouski (Sir Eugene Fiset):

(Translation)

QUEBEC, March 9, 1925.

Sir EUGENE FISET, M.P.,
House of Commons,
Ottawa.

MY DEAR SIR EUGENE,—The hon. Prime Minister has transmitted to me your letter and the accompanying documents relating to a reduction in freight rates on the Canadian National railways to the advantage of the potato growers of the lower St. Lawrence.

I had previously had the pleasure of reading the announcement in the newspapers. It will be broadcast throughout the country and we shall endeavour to ensure to our farmers the benefit of the great advantage granted them. I thank you on their behalf as also all the hon. members of the district who were instrumental in your success.

I beg to remain,

Sincerely yours,

J. E. CARON.

Already the well-directed initiative of a few individuals had obtained results and seemed to promise more. The spokesman that we had tacitly accepted, with the support of the delegates who had accompanied him in the interview with the chairman of the railway board, continued to work and to obtain results. And here are the results obtained through the activities of a group of M.P.'s. in answer to our repeated requests the railway board, seeing the possibility of developing considerable traffic between the extreme eastern and extreme western points of the country, furnished 300 ready-lined cars at a charge of $5 each. Previously every potato shipper was obliged to bring his own boards and have his own lining laid, and when the cars reached the large centres the wood used was either lost or became the property of the railroad. Besides the lining was not properly laid and the results were very far from ideal. Hence the railway, foreseeing the possible development of a sufficiently extensive trade decided to furnish 300 ready-lined cars.

Another result obtained by the group was this: The man who shipped a carload of potatoes from an eastern point, say from northern New Brunswick to a point further west had to pay the freight charges in advance, and they sometimes amounted to a considerable figure. Since the crop is not sold at that time, in the fall or during the winter money is scarce and the farmer is sometimes hard put to it to prepay the freight charges on his shipment of potatoes from Rimouski, say, to Montreal, Prescott, Toronto or some other western point. The system was unfavourable to the farmer. Once the matter was put before him, the president of the Canadian National, Sir Henry Thornton, understood the situation that the rules as then in force imposed on our farmers and decided that when the payment of the freight charges on a carload of potatoes from an eastern to a western point was guaranteed by the parish priest, or the mayor, or some prominent citizen of the neighbourhood the agents of the Canadian National would have orders to forward the car immediately without demanding prepayment of such charges. This new ruling is very advantageous to the shippers since it enables them to sell their potatoes and pay shipping expenses from the proceeds of the sale, instead of paying the money in advance out of their own pocket, which very often they could not afford to do.

This proves absolutely, to my mind, that when a few citizens get together to obtain certain results, their efforts are well rewarded, indeed I may say exceptionally well rewarded. My illustration, which has taken some time, makes all this absolutely clear. We did not rely entirely on a providential govern-

ment; we do not consider that the government must look after all the inhabitants of the country as a father watches over his children, and that we must run to the government with each and every one of our needs. We took advantage of the existing machinery, the ways and means which were open to us, and thanks to our efforts the farmers of southern Quebec are in a much better position to-day; and I believe the farmers of northern New Brunswick will welcome the advantages they have gained through the efforts of these representatives.

Before concluding, Mr. Speaker, I would like to say a word on another subject more or less allied to the one I have just discussed. The other day we had the extreme pleasure of listening to the hon. member for Cumberland (Mr. Logan) who told us of the possibilities of developing trade relations between the West Indies and Canada. We were happy to learn that among the islands in the gulf of Mexico are several provinces where the language in use is French, and that these people are desirous of trading with us, particularly with the French province of Quebec.

I hope, Sir, that a group of energetic citizens will take action on the knowledge imparted to us by my hon. friend from Cumberland and that by sending to these islands trade commissioners who speak French fluently, all concerned will very greatly benefit. We might even ask the Quebec provincial government to assist in promoting our trade relations with the people of these islands, thereby creating a new market for our products. We must not stop at requesting the government to find markets for us; once we have them we should make good use of them. I believe that no effort should be spared to bring about trade relations with these countries. If we, citizens of this country, wish to take advantage of our knowledge, and of our geographical situation and, if necessary, be represented officially in these parts by the Quebec government and the Dominion government, we can gain possession of a special export market. But to that end private initiative must contribute side by side with the government. The government discovers the markets and makes them known to the public. The public itself must see to it that they are made use of.

One word more, Mr. Speaker, before resuming my seat. We are often told that our Canadians are going away to the States; some claim that we should increase immigration, and before we can turn around somebody else is clamouring for a let-up in immigration. The present situation is easily understood. We are in need of immigrants. I do not dispute that; but, as the hon. member for Rimouski (Sir Eugene Fiset) pointed out, every immigrant admitted to our shores should undergo both a moral and physical examination, and be classified according to results. It seems to me that if we go about the matter in this way, if we are as watchful against moral defects as against physical, we will be well rewarded. The flow of immigrants may decrease temporarily in the beginning; but once prospective immigrants of the desirable class learn that we are particular about whom we let into Canada they will be all the more delighted to settle in this country; hence in the end the results will be most gratifying.

Again we often hear it said that our French Canadians are leaving Canada and going to live in the United States. Others tell us that they are returning. It is perhaps rather difficult for the general public to find out just what is the real state of things. I wish to quote a few figures on this subject. I have here a report showing the number of Canadians who returned from the United States, after an absence of six months or longer, during the eleven months ended February 28, 1925.

Report of returned Canadians from the United States, after an absence of six months or longer, during the eleven months ended February 28, 1925.

	Canadian-born citizens	British subjects who had acquired Canadian domicile	Naturalized Canadian citizens	Totals
April..	3,608	289	190	4,087
May..	4,170	505	261	4,936
June..	3,962	447	311	4,720
July..	4,426	405	296	5,127
August. . .	4,023	552	416	4,991
September. .	2,952	434	239	3,625
October.. . .	2,844	394	242	3,480
November. .	2,614	357	215	3,186
December. .	2,618	353	194	3,165
January. . .	1,395	199	121	1,715
February. .	1,641	239	132	2,012
Totals.. ..	34,253	4,174	2,617	41,044

I also have a statement of Canadians who went to the United States and returned within six months, each of whom paid the head tax of $8 on his admission to the adjoining republic, which amount was refunded when he returned to Canada.

The statement is as follows:

During	1923	1924
January	2,839	3,614
February	2,927	2,839
March	3,473	5,503
April	3,749	5,813
May	4,418	5,888
June	4,384	5,030
July	3,397	3,803
August	3,376	3,272
September	2,626	2,218
October	3,150	1,610
November	3,843	1,693
December	5,250	2,033
Total	43,432	43,316

These very interesting statistics show that during the period under review more Canadian citizens came back to the country than went out of it. I feel that the hon. Minister of Immigration (Mr. Robb) and the other hon. ministers concerned should be commended for the magnificent results obtained. I have not the figures giving the number of Canadian citizens who returned to the country during other periods, but I am convinced that a similar reckoning in their case would astonish us by the number of French-Canadians who, having left Canada towards the end of the Tory administration, have come back to us since the Liberals are in power. Judging that Canada is still the best country to live in they have come back to us, and are still coming, in large numbers.

This should breed unbounded confidence in our own country, in our forest resources which are second to none in the world, in the mineral wealth of Ontario and New Brunswick, in the agricultural resources of the west which are nowhere surpassed; and British Columbia itself is an earthly paradise, a land of plenty, superior even to California. When we turn our eyes to the map of our country, when we realize of what stern stuff our fellow-countrymen are made, we may well be proud to call ourselves Canadians; and if we can develop this sentiment, if we can teach all our citizens the true worth of this Canada of ours, under a government that casts no longing look behind but, eyes front, advances courageously to meet the future, we may hope for the early return of the prosperity we knew from 1900 to 1911 and before time has gone much further in his flight, the glorious sun of the days of Laurier will once more shine on our country.

Mr. W. F. MACLEAN (South York): Mr. Speaker, in the year 1891 I appeared as a candidate for this House of Commons to represent the then old-time constituency of East York. I ran there as one who believed in the National Policy, as a disciple of Sir John A. Macdonald, and I have supported that policy all my life. I ran in that constituency as a rather young man against a very important opponent, Hon. Alexander Mackenzie, who had recently been Prime Minister. He had lost his seat in western Ontario. He carried East York and defeated me by a majority of 26. Within a year he died, and in 1892 I was elected to this House as the representative of that constituency. Ever since I have been in this House, and I have carried on pretty well the views I then held in regard to what I considered to be the proper tariff policy for this country. I came by my belief in the National Policy through my father, who was the first man in this country to organize the Manufacturers' Association, to develop what he called our "home industries," following somewhat the policy that had been adopted in the United States. It took a long while to build up industry there. They thought they were a sugar, cotton and corn growing country, but after a while the United States became the greatest manufacturing country in the world, largely because they adopted the policy of encouraging home industries. But in Canada it was rather hard work to get them going, and men like Isaac Buchanan—we do not hear much about him now—a Scotchman who had an idea that protection would be a good thing for this country, George Stephen, who afterwards became one of the founders of the Canadian Pacific Railway, and others who believed absolutely in the encouragement of home industries preached their faith. I might say that George Stephen was one of the first members of the Manufacturers' Association. I happen to know where a little book is that contains the names of those early members. Then John A. came along and took up the National Policy proposition, perhaps as a political manoeuvre—I will not say; I do not think so—but he was a strong believer so far as I ever knew in trying to do for Canada what the United States had already accomplished, to build up home industries and so give work to the people in manufacturing as well as in farming.

When I first came into this House in 1892 my constituency of East York had not a population of 25,000 people. It was made up of what is now called Greater Toronto, a rim of suburbs peopled by market gardeners, butchers, hog raisers and dairymen—a very ordinary lot of people. What has happened since? That once despised constituency of less than 25,000 people will be represented in the next House by eight members, who will speak for over 400,000 people To prove what I say I am going to name the constituencies that have come out of that hive Of all the mother constituencies in this country East York is

the greatest. Out of that constituency the new House will have a member from South York with a population of 50,000. To-day I represent 120,000 people in this House, that being the population of only a portion of my original constituency. Next to South York there will be Toronto-Scarborough, another riding of over 60,000; then East Toronto, which I represented when it was called St. Matthew's ward—over the Don with only a few people living there but to-day it has a population of 60,000; then comes Northeast Toronto, which I represent to-day and where I hope my friend from North Toronto (Mr. Church) will go, but they say he is looking in some other direction; that, too, is a great constituency. Then comes Northwest Toronto, which I represented for many years when it was in my original riding and was known as Toronto Junction, but which now comprises a great part of the city of Toronto; then I go over to Toronto-High Park, which I at one time represented in this parliament, another large constituency; then I come to that portion of West York which I represent to-day. Under the adjustment that was made some time ago I am turning over probably some seventy polling subdivisions there that I represent in this House to-day. And lastly, and as the eighth of the lot, the township of Markham and her sister township, Vaughan, in West York go to North York taking with them the seed of the National Policy. That is eight constituencies that swarmed off from the original riding of East York that I represented. And I imagine that the feeling among that 400,000 people will be largely to maintain the policy which created the industries which support them, and which created and developed the great industries in many other parts of this country. Now you may call that part of the district suburban, it was only common township territory originally. What has happened to make this great change which resulted in one constituency growing into eight? It was the creation of a great many industries in Toronto and the establishment of those 400,000 people who believe in the National Policy. They believe in it for the reason—although my hon. friends the Progressives may object to it—that it builds up home industries. The Progressives say, and they are in favour of something in contra-distinction to the National Policy, that they do not want that in the west. Now I say and I challenge hon. members from the west to dispute it, that this is the view of the people in that part of Canada, namely—that the people of Winnipeg want their city to become a Toronto, and the people of Edmonton also want their city to become a Toronto; and even the Progressives themselves, who profess a policy different from the National Policy adopted, do not believe in raising their families to become mere farmers. There is no farmer in the ranks of the Progressives that does not hope to see his sons have the opportunity to get into business, to get into industries, to get into mining, and all these other occupations. What they want in the west, and this is what I wish to tell my hon. friends—

Mr. BROWN: I should like to correct the hon. gentleman on that point.

Mr. MACLEAN (York): My hon. friend will have lots of opportunity to correct me. I will stand any amount of correction and I hope he will carry out his intention. I am sure he must want to see diversity of employment in this country. I have not seen a farmer from the west who does not want to see the same thing. You may ask "How is Toronto interested in that?" Well, I will tell you. This great community, now to be represented in the coming parliament by eight members, has a population, with enormous industries built up in that old East York, who believe in the National Policy, and who believe in diversity of employment. And the thing that makes a country is diversity of employment, and that is what the issue in this coming election is to be. It is to be whether we are to have diversity of employment, or whether we are to have the development merely of one or two industries in this country and, in the main, agriculture.

I want to say something more about the people who make up that population of 400,000 to which I have referred. The bulk of them live in the East York that I have described. There are thousands and thousands of men and women who live there—not in the city of Toronto but still in old East York—men and women who are on the payroll of industries located in the city of Toronto. These people have grown up and have raised their families there and they want to see this industrial growth and development kept up. They do not want to lose their houses; they want to see employment continued, and I may say that unemployment is the problem before this House and the country to-day. We have got to deal with it; it is a problem which exists all over the world to-day. It prevails in England. So bad is that problem in England that Mr. Baldwin, and some other prominent men there, are preaching something in the direction of the state financing work and helping to provide wages for the

unemployed. Do not let my Progressive friends down the line run away with the idea that unemployment exists only in protectionist countries. Unemployment is worse in England than in many countries where they do not have free trade; and I may say that it was free trade that first gave England diversity of employment. Perhaps, that raises an objection to my argument; but nevertheless the fact is that any country that wants to hold its own in the world to-day must not depend on one source of employment. There must be diversity of employment, there must be opportunity for every family. Every country now is up against this struggle for existence that is prevalent, and if there is to be diversity of employment it must be based on a policy of its own. In times of stress, and after the great war through which we have passed, the impelling principle is to keep your own work for your own people; keep your own markets for your own products and do not surrender them to other people. Germany is ready to raid our markets. She raided and fought us in war, and now she is going to raid our industries. France feels the same way. The United States have got ahead, and I think would like to have possession of our markets.

On that line I want to tell the House another thing that happened. I went to a meeting last Saturday where they organized the new riding of South York and these questions came up. The most popular sentiment expressed there that day—and the audience consisted of the men and women who will make up the new South York, and who are living in that great community of 400,000 people—the sentiment that was expressed there, the sentiment that was applauded and was the predominant sentiment, was in regard to reciprocity of tariffs as between Canada and the United States. If they propose to bar us out and to take our markets, and if Germany purposes to invade our markets with a great cut in her prices, then we have to give treatment for treatment or we will be wiped out. There is a great new struggle going on now in the world between countries just to hold their own. It is a fight for existence; and the thought that is growing more and more among our people—it is growing in the minds of the 400,000 people who make up greater Toronto; the idea that impels them and comes home to every family; to the father who is employed, to the son and daughter who may be employed in these various industries or in other businesses—is how are we to keep our wages? More and more this demand is being made on the part of labour. You hear it all over our country, you hear it in Montreal, you hear it in other parts of Canada, you even here it in the west. What we must do in this House, if we are to maintain the position of our country—I do not say that we have to go into an absurd system of protection—is to keep the work for our own people, and we will have to fight to do it. Our friends from the west want rather to reduce the little protection we have, and we have some protection. The issue I have described will be the fight in this coming election whenever it does come.

The members from the west will have to fight that very same question in their country. The people in the west have no intention of remaining a purely agricultural community. Towns there want to grow. You are building up universities there. The farmers are sending their sons to the universities, and they will want the universities to be followed by scientific schools and to send their sons to those schools; they will want to see the possibility of their having different employments. You cannot raise sons and make them all farmers. That is the mistaken belief which my hon. friends down the line hold. You must have diversity of employment in order to provide occupation for all of your family. My hon. friends to my left may find fault with the position I take, but I have been rather sympathetic with a great many of the things they advocate. I am entirely sympathetic with them in regard to their request for better ocean rates. I am sympathetic with what I have heard to-day in reference to reduced railway rates in this country, and the way to reduce those railway rates is to have an economic management of our railways and stop the awful competition. I am going to refer to that matter a little later on. We should also develop our waterways.

Mr. COOTE: In regard to the establishment of industries in the west, does my hon. friend think we will be able to establish industries in the west without some protection from the competition of these large factories in Toronto?

Mr. MACLEAN (York): That is a fair question and I answer that I think so. I read in the Free Press of Winnipeg the other day, the statement that new industries were coming in and the people out there were glad to welcome them. The farmers are developing new industries. They have gone into the business of butter and dairying, and have made great advances in the live stock industry. They will have abattoirs and everything in that line. They are going to vary their occupations and their industries and build up

their country, as Ontario, Quebec and the Maritime provinces have built up their country. In other words, you are going to see a revival of the idea that in order to build up a country you must have diversity of occupation and give encouragement to your own industries. If you like to give your industries away to other countries, you may do so, and your people will go away. However, I do not think that is the sentiment of the west. It is not the sentiment of British Columbia, or of the Maritime provinces. It is certainly not the sentiment of Quebec that they desire to see their industries go. Yet you would almost think that Quebec was ready to let her industries go. But that is not the popular view, and I am quite sure the province of Quebec will be heard from on this question before the next election is over.

I will tell the House now about the industries in my own comparatively small riding. Hon. members will ask, what are they made up of? Market gardeners started there years ago. There is a big market gardening industry in that district. I have lived among these market gardeners; they are constituents of mine. The industry does not look to be very much, but it gives homes to hundreds of them in that county. The next interest there is probably the berry and fruit industry. The fruit industry has developed largely. Next is the florist industry, developed by men who have greenhouses, glass houses and who do a great trade in flowers. The business has attained large proportions. It is a source of income and thousands of them are being supported by it. Hon. members talk about the export of poultry from the west. They ought to see the poultry and eggs that are raised in that small community now called South York, formerly called East York. It is an immense industry. They have also other associated interests of that kind, and all these people have an absolutely vital interest in remaining as they are in that district and having a chance to make their living, and they will only be able to make a living now if these home markets which they have at present are kept for them. I pointed out to the hon. leader of the Progressives (Mr. Forke) the other day that one difficulty these men in South York labour under is the seasonal advantage our competitors in the United States have, because their season over there is much earlier than ours and there are large importations from the States which are bought by the rich people of Toronto. Other towns of Ontario are in the same position. But that market is liable to be raided, and is raided as a matter of fact, by the competition of the United States. I think those people are entitled to some kind of protection. They are asking for it and I am putting in a plea that those industries ought to be protected and kept there. They have a right to have their interests advocated in this House.

The hon. member for Brantford (Mr. Raymond) this afternoon said a great deal about compromise and co-operation. Well, there must be some kind of co-operation between the east and the west, and some day it will come. Some day the most pronounced protectionist in this country will come from the west and he will be in favour of great big interests and local interests being built up by some kind of national policy for protection, to keep a lot of work for our own people and a lot of our own products for our own market. What would I suggest? I am not speaking for one moment for the manufacturing interests. The manufacturers themselves have not many great friends in this country now. They are doing most of the talking themselves. They think of nothing but themselves, and some of them are very selfish. A great many of them made enormous profits in the recent war. Now they are enjoying games of golf and riding in great big cars, and people are making a clamour about them. I am saying nothing about this. Let them look out for themselves, but I speak for those on the pay-rolls of the industries of this country.

We have heard something about export duties, and we have those duties in this country. The government has placed an export duty on power. I listened this afternoon to the hon. member for London (Mr. White) who opposed it, or rather said it should not be brought into force until the present contracts ran out. That may or may not be true, but Canada to-day has enormous water powers, especially in the region of Hudson bay, and north of the western provinces. I believe all those water powers can be harnessed, and by means of long distance and high transmission, perhaps by wireless transmission, there will be great abundance of power development in that country which may be a great source of revenue to Canada and to all the provinces. There are other things we can accomplish by an export duty. Do you believe I would let one pound of nickel go out of this country to go to Mond's smelters in England or to the International Nickel Company in the United States? There is not a pound of nickel ore in any place but Canada, and I would not let a pound go out without being absolutely refined in Canada;

and yet through Sir Alfred Mond and the International Nickel Company—and they are the only people who got the ore—Germany got all the nickel she wanted during the war, and she got it from the nickel ore in Canada. I have made that statement before, and have been condemned for it, but I say it again, and I appeal to the people of Canada through their representatives at Ottawa, to place a duty on the export, not only of power, if they are in favour of it, but on nickel, in order that it may be refined and made into metal in this country.

I would also put an export duty on pulpwood going out of Canada, which would help our revenues. The settler will say, "I have only one market for my pulpwood and it is the export market." That may be true, but let his own province establish a pulp mill to grind his pulp, and in that way we will have the business in our own country. We command the bulk of the pulpwood business of the world, and we can get the whole of the business, on account of the class of pulpwood we have in Canada. We have to take care of that pulpwood and I think we will take care of it. As long as we have it we can get a great revenue from it, and an export duty placed on pulpwood will help pay the taxes and debts of the country.

I am going to leave the tariff question with this brief statement of my views. I happen to come from that little constituency which has grown from 25,000 people to 400,000 people and that has the greatest collection of industries of any portion of Canada. That constituency is growing; the people are growing with it, and they have as much right to claim fair treatment as the people of any other portion of this country. When these conflicting claims arise, there is only one way, as was said by the hon. member for Brantford this afternoon, by which they can be settled. There must be some compromise, some adjustment, made and some patriotic view taken that we want to help our own people and our own industries in a time of trial such as this.

I am going to pass from that to discuss for just a moment the banking conditions of this country. I am an absolute believer in Canada adopting, as far as it can be adapted to this country, the national reserve bank system of the United States. I have already said in this House that the greatest public ownership proposition in the world to-day is the national reserve bank system of the United States. It is absolutely owned by the people of the United States and billions of gold owned by the people of that country are behind it. They have also their own coinage systems, and the whole credit of the United States is behind the national reserve bank system. The way in which the United States is now and has been able for some years to encourage the farming industry and to expand it, is by providing a credit system for the farmers with absolute security and guarantee. That is done through this national reserve bank system. That system has been an immense success in the United States, and we in this country, and especially the people in the west, want a similar banking system. The Canadian banks, however, are opposed to this, for what reason I do not know. They should not have any objection to doing what has been so successful in the United States. The United States is going to do the reparation work of the world in the way of financing; she is doing it now for France and Germany; she has helped England immensely; she is ready to do this for all the world, through the fact that she has this splendid system of banking backed by the whole credit of that country. Our banks oppose the establishment of a similar institution in Canada and they say: Oh, we might get the system of banking they have in the United States and some money might be lost. Let me tell the banks of this country what I would like to see because of the failure of our banks to take advantage of the creation of a national reserve bank system in Canada. I would like to see fifty bankers from the little towns and villages throughout the whole of the United States come to Canada and ask for charters for small national banks to develop here. If our bankers saw such an influx into this country of the same system of banking as they have in the United States, backed by the national credit, there would be a wonderful improvement in our financing. Branch bank business, as far as we know it, is not a success. It is ending more and more in mergers. I wish the Acting Minister of Finance (Mr. Robb) were here to-night so that I could tell him what is going on. Within five or six years, at the rate at which mergers are taking place, we shall have not more than five or six banks in this country. Let me enlighten the House and the country about three very surprising morgues that are maintained in Canada. A morgue is a place where dead things are kept. What do hon. members think these three great, big morgues contain? One, I think, is in Toronto and perhaps two are in Montreal. They are the storehouses of the banks' safes that have been discarded be-

cause of the bank mergers that have taken place in Canada. Hundreds of agencies were closed, for instance, the Merchants Bank and the Molson's Bank, and in Montreal there were others besides these. There have been numerous mergers in Ontario. Now, owing to these bank mergers, there are nearly 20,000 of these safes stored in this country, and the banks do not know what to do with them. They are afraid to show them and they keep them hidden. That is a result of the bank mergers. But the bank mergers have not finished, and I am going to make this prediction that as soon as this parliament is over, there will be three great mergers in Toronto. They are all arranged now so far as I can gather, and they will go on. Let there be big banks if there must; but let there be little banks as well, and let the little banks have the same advantage of the national credit as they have in the United States and as the big banks have in this country. The big banks may say that I am making an attack on them. I am not. I want the big banks to make more money than they are making now. All I am asking is that they will give more service. If we have something like that in this country, many things will take place that will help to bring about a recovery in business conditions.

I should like to refer for a moment to the question of the revision of our constitution and of making our courts supreme. I heard an hon. member from the west speak this afternoon about a grievance that existed there in regard to tax duties on agreements of sale whereby an innocent family, that owned property in one province and that had gone to live in another, found that both provinces claimed the tax and they had to pay the tax in the two places. The provinces said to them: You pay the tax in the meantime and go to the Privy Council in England to have the matter settled. We shall never be a country until we interpret our own laws in our own country by our own courts. That is a question on which all the Canadian people can unite. The greatest court in the world to-day is the Supreme Court of the United States and it was built up by American lawyers. They have become great jurists and they have a splendid system of law in that country. The crowning glory of the United States is probably its own Supreme court and the integrity of that court and many other courts over there. Canada will never be able to hold up her head alongside of the United States until she has at least as good a banking system and as good a final court system as they have there, instead of being, as we are, minors, wards, and having to go to the Old Country in order to have our laws interpreted. The people in the Old Country are quite willing that we should interpret our own laws and to allow us to make our own constitution. Speaking of these constitutional questions, I say that much headway was made in this parliament this session when the motion of an hon. member from the west in favour of Senate reform was accepted, went through and was recognized in Great Britain. Results will come from it in a very short time, and you will see Canada having a much better position amongst the nations of the world than she has to-day.

Mr. STEWART (Leeds): Are the people of the United States entirely satisfied with their courts and the decisions of them? Is there not a great deal of agitation there for a change?

Mr. MACLEAN (York): I do not think so. But the Supreme Court of the United States settled the question of slavery after the war; the action of Abraham Lincoln was upheld by the decision of the court. But even if there are disputes there, so are there disputes here, and it is for us to make the system perfect as far as possible. Personally I will trust Canadian judges any day for the final decision, and especially the Supreme Court when we have strengthened it. And to my mind Canadian lawyers are absolutely the best men to interpret the laws of Canada.

There is only one other question I desire to speak to and that is the question as to the demand for a merger of our railway systems in this country. Things cannot go on as they have done in the past. We have been rolling up a huge snowball of liabilities in connection with our National Railways, and the Canadian Pacific has also been meeting tremendous expenditures. Unless we do something to put a stop to the enormous waste which is taking place in connection with the Canadian National Railways, I cannot see anything ahead but disaster; and the only solution, as I have said before, lies in a merger of the Canadian Pacific Railway and the Canadian National system. This I know is objected to by a good many newspapers, particularly in Montreal, where probably a chain of journals are opposed to it. It does seem to me however that the country is behind the proposal for the consolidation of the two railway systems as the only means of eliminating unnecessary competition and putting an end to wasteful and extravagant expenditures. If these two roads were consolidated to-morrow,

I would venture the prediction that the joint income, as a result of the savings that would be effected, would meet the liability in regard to dividends in connection with Canadian Pacific, and the merger would in my opinion prove entirely successful. We should then have a railway system that would really pay its way, instead of operating a huge company, not altogether to the advantage of the shareholders in the case of the Canadian Pacific, and not to the benefit of the public in the case of the National system. The shareholders of the Canadian Pacific can no more stand competition than can those of any other railway system. I am sure the shareholders of this railway are not quite certain as to whether their 10 per cent dividend can last under this competition. As to the proposal itself, it was not even considered by some of the newspapers, not even by the Montreal Star. It was however intimated that it would be desirable to cut out the unnecessary competition, and some of the press have been shouting in that respect. But they do not want to see any merger brought about. Now, competition will not be eliminated in any other way; there must be an absolute merging of the two lines if the full benefits of the elimination of competition are to be enjoyed.

10 p.m.

Talking about the merging of railways, I might refer the House to what is going on in the United States. Hundreds of railways in that country were exploited to a marvellous degree by the men who controlled them, and the United States government has issued an order to the Interstate Commerce Commission to the effect that they compel all railways in that country to be merged into probably seven or eight systems. This will mean the wiping out of millions and millions of securities that were put out by those who have exploited these roads; and the Interstate Commerce Commission has further ordered that all these railroads, when they are merged, shall operate and take profits on a valuation made by expert actuaries on the actual values in the roads and not the capital issued. The same thing will come in this country unless we stop the rivalry that now exists between the two systems here. All that need be done is for the two roads to get together and take care of all the securities that are out; this would eliminate the waste that is now incurred through unnecessary competition. Just imagine two great headquarters in Montreal with two managing staffs, hundreds of offices and hundreds of men, where half the staffs, half the men and half the chief officers might serve equally well. This would mean an enormous saving.

Mr. HARRIS: Would the same theory apply to the merging of the banking institutions?

Mr. MACLEAN (York): No, it would not; does the hon. member want to have the banks merged into one? Be that as it may, a merger of the railways in this country would solve our difficulties.

I might mention what has been done by the Northwestern Railway Company in England. That concern has issued a statement to the effect that its expenses must be reduced owing to competition. And they have not been extravagant either. What happened in England has happened in Canada as well, and it is this: the automobile and the motor truck have taken away a good deal of the local business of our railways. Take for instance the city of Toronto. If a man buys a carload of manufactured goods he simply gives his order over the telephone; a motor truck will take a load of from three to five tons from Kitchener and deliver it in Toronto six hours after, unloading it there, and there will be no cartage nor railway freight. The automobile business has therefore seriously affected the profits of our railways. And the railways are menaced from another quarter in this country: the United States and Canada intend developing the St. Lawrence waterway, and that will cut into the profits of the railway systems. Still more are the railways threatened in their high class business, such as express and passenger services, by the aeroplane, which within three years will be all over America. The Canadian Pacific Railway, then, ought to pray God every night to be taken over by the Canadian National system so that its shareholders might be assured for some time to come of the dividends or a portion of the dividends they now receive. Instead of these railways fighting for business they should get together to stop the over-competition that now exists. I will close by reading an extract from an editorial I have received in the mail. This editorial is reprinted from the Border Cities Star, published in Essex, which is represented in this House at the present time by the Minister of Railways (Mr. Graham), and by the successor of a former member of this House, the late Hon. Mr. Kennedy. It is under the caption, "Duplications,' and I quote from it the following:

> Mr. W. F. Maclean, M.P., has been commended for calling attention to expensive duplication of certain services at Ottawa. Mr. Maclean deserves commendation for he has placed his finger upon a condition that is almost criminal in its extravagance. Let us hope that he keeps on complaining and that his protests may not fall upon deaf ears forever.

Mr. Maclean is also interested in eliminating another form of duplicated service—that of railways. He desires the Canadian National to take over the Canadian Pacific so that great economies may be secured and the whole Dominion transportation problem straightened out. An ambitious thought, this, but one that is not likely to be worked out for the very good reason that the Canadian Pacific Railway is not anxious to be taken over and the business interests of the country are not keen on publicly-owned railroads anyway. Mr. Maclean may find it necessary to turn his argument around, that is to advocate the taking over of the Canadian National by the Canadian Pacific.

I want to tell you why I oppose that proposal. The Canadian National is owned by the people of Canada; the Canadian Pacific is owned about one-third in Canada, one-third in the United States and one-third in Great Britain. The control of that railway could be bought any day by English capitalists who went after it, or by the New York Central or the Pennsylvania system of the United States. They could buy the Canadian Pacific tomorrow—and they may be after it; but they could not buy the Canadian National railways because they are owned by the people of this country. So I resent this doctrine propounded in the Border Cities Star. Yet this western writer admits the whole case when he says:

That there is an urgent need for the building of additional branch lines in the west is known to everyone familiar with that part of Canada. At the same time, there is a natural hesitancy to pass appropriations for such work for the simple reason that our present railway bills are so high. With amalgamation of the two great national systems, the saving of millions in expenses annually, and the lifting of the load that now reposes on the shoulders of the people, there would be money, opportunity and desire to proceed with those vital branch extensions.

The Border Cities Star favours the consolidation of the roads, but under the Canadian Pacific. I am against that; I am in favour of the consolidation of the roads under the Canadian National, which is owned by the people and which has sixty or seventy per cent of the railway strategy of Canada. I mean this: the old Grand Trunk was the greatest railroad system ever built on this continent. It got all the strategy at Montreal. It got all the strategy along lake Ontario, of the city of Toronto, of the Niagara district, of the Detroit river, to say nothing of a great many other portions of Ontario. The Canadian National has the strategical advantage in respect to the passes through the Rocky mountains and in the matter of grades. The Canadian Pacific has been made a great road by the contribution of the people of Canada, but we do not own it. I say we do own the Canadian National, and we must take care of it. When we consider the reduction in business and the increased competition involved in the waterway routes of the St. Lawrence we have got to get down to the cold-blooded business of doing something to merge these roads and eliminate unnecessary competition.

The farmers of the west see that things are improving for them; the prospects are that conditions will be better in that part of the country. Nobody wants to see the west go ahead more than I do. Some people say the representatives of the west are a class here, but what are we in the east but a class? They have as much right to be here and to state their cases as we have. From what some people say you would almost think they were bolsheviks, intruders; but the farmers of the west are Canadian citizens who elect their members to parliament and they have as much right to express their opinion here as anybody else Personally I speak here for 120,000 people whom I represent, many of whom are engaged in industries in my riding; who believe in diversity of employment and who want to see work provided for their own people. They believe, as I do, that extravagance of all kinds should cease. I want the Acting Minister of Finance to say to-day whether he approves of the unnecessary expenditure involved in the duplex system we have in this House, to which I referred on a previous occasion—two systems of post offices, two systems of messengers, and all the rest of it. Here is where economy could be practised, and the country demands it. When we begin to work it out in our own House then we can work it out in the country. Let us put an end to this unnecessary competition between the railways and thus make things better both for the railways themselves and for the country. Let us still have some respect for the principles that underlie that old, much denounced idea of a National Policy in this country for the encouragement of home industry, for the providing of employment for our own working people, for the maintaining of a home market for our own products. Speaking particularly for the people whom I represent in this House, I say to-day that we do not want to see that National Policy abolished at this time, after the Great war and after the great losses in life and in money that our country has sustained.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, after the somewhat lengthy discussion which has already taken place it is perhaps not necessary for me to say very much with regard to the details of the budget. We are told that there is no deficit; yet on the other hand we must con-

fess that we have decreasing revenues and increasing obligations. Just how long this state of affairs can continue is a matter that surely ought to call for the most serious consideration from this House. I submit that increased revenues can in the long run be secured only on the basis of general prosperity. To-day without doubt we have low wages, unemployed workers, idle factories, and discouraged farmers. Under these circumstances how can we hope for any immediate change in the situation in the near future? And in this respect I am not thinking particularly of one party or the other; I think both parties are in the grip of the larger economic forces over which politicians have very little control indeed.

We hear a great deal about the necessity for greater economy, but I would urge that this economy is not to be gained simply by petty retrenchment, although this may be desirable. Certainly it is not to be gained by any reduction in the necessary services which the country is rendering. In all fairness to the government, I think it should be recognized that the greater part of the budget is uncontrollable, that is, it consists of fixed charges, very largely interest charges. On the other hand, it does seem to me as if the government should very frankly face the enormous debt and should take steps, as I think was suggested by the hon. member for Brantford (Mr. Raymond) this afternoon, to deal with this war debt. I do not know that I agree with his suggestion of a sinking fund; it seems to me that this would not be adequate to meet the needs of the country; but I do believe we will not get very far towards alleviating our taxation until we tackle the war debt. Earlier in the session I called attention to the fact that if we add together the federal, provincial and municipal expenditures on the basis of nine million people, we have an annual expenditure of $89 per head. I do not think that at the present moment we have nine million of a population. So that, roughly speaking, we have a per capita expenditure of $100. Think what that means to an ordinary family of five—$500 per annum! As to the war debt, if we add together the federal, provincial and municipal debt we get a per capita debt of $547—an enormous load for our people to carry. It should also be remembered that the debt is owed to a considerable extent to people resident in Canada, which means that a comparatively small group who hold the debt are able to levy tribute of some one hundred million dollars a year on the rest of the Canadian people. That is, that amount is being paid to Canadian bondholders; and over half that amount is in untaxable bonds. As long as that condition of affairs continues we are bound to have very heavy taxation. Sometimes I have wondered just what would happen if we adopted the old Mosaic law and every fifty years instituted a year of jubilee under which all slaves and debtors would go free. I am not very sure that a very large proportion of our population would suffer very much if we had such a jubilee. I do know that it would be a wonderful relief to industry if these enormous overhead charges could be rolled off.

Now I pass to a consideration of our National railways, for we all recognize that they are the source of a very considerable part of the deficits which come to us from year to year, whether those deficits are formally recognized by the government or not. I take it that we are undoubtedly committed to the principle of government ownership; there is no going backward, we must go forward. Sometimes the impression is given that we are in difficulties over the Canadian National because of the very high wages paid to labour. Let me say that in 1920 there were 185,177 employees receiving $290,510,518. I am speaking now of railway employees as a whole. In 1921 the railway employees of Canada, numbering 167,627, were receiving $247,756,138; in 1922, 165,635 railway employees were receiving $233,294,040; in 1923, 178,052 employees were receiving $253,320,005; in 1924, 159,030 employees were receiving $231,517,862. I might say that the latter figures are hardly complete; they are the latest available but include only the operating departments. Now, the higher salaries account for a considerable portion of the expenditures on wages and salaries. The salaries of the general officers amount to a little less than five million dollars a year. In 1923 the general office superintendence class numbered only 20,828. I would point out that although there has been a bigger volume of trade, this increased business has been handled at less expense. I note in the Canadian National Railways operating expenses that, although there was an increase in the salaries and expenses of the general officers from 1892, when it was $693,271.03, to 1923, when it amounted to $947,576.89, the payroll of the operating departments was cut by $7,714,263. Thus, although the higher officials have increased the expense in connection with the whole operation, wages have been steadily cut notwithstanding the larger volume of business handled.

There is another point to which I should like to draw attention; it has come up again and again in this House, and so far no action has been taken towards remedying the unsatisfactory condition. That is the over-capitalization of our railways, and I want to speak especially as to how this affects wages, or may react on wages. In this respect I think I cannot do better than read a few paragraphs from an article which appeared in the February number of the Canadian Railroad Employees' Monthly:

The fifty-eight railways in Canada operate a total mileage of 54,580 (including sidings and yardage) and have a total capitalization, according to government statistics, of $3,264,000,000 or nearly $60,000 per mile. The C.P.R. with a total mileage of 19,103 has a capitalization of $623,960,000, or about $32,800 per mile. The C.N.R. with a total mileage of 26,751 has a capitalization of $2,207,000,000, or $84,500 per mile. The capitalization of the Canadian National system is made up as follows:

Canadian Northern..	$ 872,492,000
Grand Trunk..	599,226,000
Grand Trunk Pacific..	265,639,000
Government Railway..	447,643,526

Last year the C.N.R. operated on the average 20,419 running miles of road and the C.P.R. 13,878 miles. On the basis of miles operated (not including sidings and yardage) the capitalization was:

C.N.R...	$ 109,000 per mile
C.P.R...	44,500 per mile

According to figures given by the Canada Year Book, published by the government, the capital liabilities of the various units composing the Canadian National system, on the basis of the mileage operated in December, 1922, were:

Government Railway.. ..	$ 105,000 per mile
Canadian Northern..	46,000 per mile
Grand Trunk..	102,000 per mile
Grand Trunk Pacific..	80,200 per mile

The former private railways were presented with vast areas of land and enormous subsidies. The Dominion government made land grants to railways of 31,684,000 acres, and the provincial governments 15,200,000 acres—a total of 46,886,000 acres. A part of the public domain nearly equal to the area of the three Maritime provinces was thus turned over to railway promoters and their political friends. More than half of this great area was presented to the C.P.R. and its subsidiaries, that company on most of its main lines being permitted to make selections of the land likely to prove the most valuable. When the Grand Trunk Pacific was projected the policy of making large land grants was discontinued, and that road only obtained 11,800 acres from the Dominion government.

In addition the Dominion, provincial, and municipal governments gave cash subsidies to the private railways to the amount of $230,000,000 and guaranteed railway bonds to the tune of $442,000,000. Of these bonds $370,000,000 are still outstanding, and mostly form a liability against the national system. The high capitalization of the Canadian government railways (which includes the old Intercolonial, the Transcontinental and the Hudson Bay railways) is partly explainable by the fact that they did not receive cash subsidies or land grants. Again, successive deficits have been added to their capital liabilities.

To the old I.C.R. capital account, too, was charged the construction of important harbour works at St. John and Halifax, whereas the C.P.R. and Grand Trunk have had the benefit of fine port facilities at Montreal with little capital outlay in that connection. If the government roads had been credited with subsidies and land grants equivalent to those given other roads, their capitalization would have presented a different figure.

The old Intercolonial itself only represents a capital investment of $120,220,000 according to the public accounts of Canada for 1923 (schedule F. to balance sheet). But in the great railway building age the politicians in the east as well as the west got charters and subsidies to build small branch lines to open up forest areas or mining districts. Then when these lines had served the purpose of stripping the more acceptable and valuable timber areas, they, in many cases, managed to persuade the government to buy the line and add it to the government system. There was much log-rolling in those days. And thus in the construction of the government system its capitalization was augmented by practices, legal enough perhaps, but hardly justifiable from a moral point of view. The railway history of Canada is replete with stories of railway promoters amassing snug fortunes, for which they rendered no adequate service to the country.

It is scarcely fair—

And this is the point I should like to press in this connection and the reason for reading these figures—

—that the burdens of the sins of the politicians and the promoters should be visited upon the railway workers to the third and fourth generations.

The article goes on to point out that according to the public accounts for 1923 in the national balance sheet there are the following assets:

Government railways..	$423,000,000
Railway accounts (old loans)..	88,000,000
Railway non-active loans..	558,000,000

The billion dollars which the government counts as assets, are liabilities of the C.N.R.

Included in this we have guaranteed bonds to the amount of $296,000,000, and debenture stock (outstanding in 1923) amounting to $216,000,000. The article proceeds:

The sum of these accounts is $1,581,000,000, and that is the sum on which the C.N.R. is expected to pay interest,—a matter of nearly $75,000,000 per year.

Mr. GRAHAM: I should like to ask the hon. member a question. Does he read from that paper that the amount which the government railways cost is charged against the Canadian National Railway system in their overhead?

Mr. WOODSWORTH: I think that is the—

Mr. GRAHAM: I mean the government owned railways.

Mr. WOODSWORTH: I think that is the sense of the article.

Mr. CAMPBELL: It does not say so; it simply refers to the capitalization. The statement is not very explicit.

Mr. GRAHAM: I should imagine it just referred to the capitalization. It does not go so far as to say that the Canadian National annual overhead is debited with the interest on this capitalization so far as the Canadian government railways are concerned.

Mr. WOODSWORTH: The statement is not explicit; I am not quite sure as to that. I am quoting this as an authority on the subject of over-capitalization. The statement concludes with this paragraph:

> The sum of these accounts is $1,581,000,000, and that is the sum on which the Canadian National Railway is expected to pay interest, a matter of nearly $75,000,000 per year. That sum is $300,000,000 greater than the capital valuation of all the railways in Canada would be if they represented the same proportion of the national wealth as the United States railways do of the national wealth of the republic.

I will not go into this question in detail; it simply suggests a line of reasoning which I am glad to say, is very frequently met with across this country; and I am very sure that if the government could see its way to write off some of this over-capitalization as simply bad debts we would be in a very much better position to carry forward our national lines to success.

There is just one other point I should like to mention in connection with the railway situation, and in doing so to take my place beside the hon. member for South York (Mr. Maclean) who has been a veteran advocate of public ownership. In the first session of this parliament I can remember advocating the unification of our two-company system. At that time the whole idea was regarded as absolutely impracticable, and apparently there was no use in urging it upon the House. I am glad to think in the last four years we have come a few steps nearer that very desirable development; and this year when the hon. member for North Waterloo (Mr. Euler) came to the support of the hon. member for South York, I am sure that we all felt that perhaps the time might not be so remote as some of us imagined, when this unification would take place, and place us in a fair way towards the solution of one of the most important problems which confront us in Canada to-day.

With regard to the question of free trade and protection, the discussion of which has occupied so much time up to the present, I might say that the labour movement does not regard this as by any means a fundamental issue. Later in the discussion I should like to deal with some aspects of this question a little more fully, but at this time perhaps I might be permitted to comment very briefly upon a few of the arguments which have been advanced. A year ago we found the government making a great deal of the fact that it was granting certain reductions on agricultural implements. We have had from the opposition a great deal of criticism and the supposed adverse effects of these reductions have been pointed out. I think one hon. member has already referred to some statistics as to what these reductions really amount to. I hope that some of the Progressive members will take this matter up more fully. I shall content myself at this stage with calling attention to the bare facts of the case. On imports of all dutiable agricultural implements valued at $3,156,986, April 1 to October 31, 1924, there was a reduction of 4.7 per cent or an actual reduction of duty paid by the farmers of the whole of Canada of $148,378. Dividing that amount by the acres in field crops we find that the saving to the farmer amounted to only 83 cents per half section.

Mr. McMASTER: Would it not be fair to surmise that the reduction of duty would tend to lower the price of the home-produced article by an equivalent amount?

Mr. WOODSWORTH: Possibly it would.

An hon. MEMBER: It did not.

Mr. WOODSWORTH: The question was, would it tend to do it? I do not know that we have any evidence that it has done it, but even if it did, 83 cents is such an inconsiderable amount for a half section, I do not think we can believe it has accomplished a great deal in actually relieving the situation which faces the farmers of this country. As far as western Canada is concerned, the figures are very much the same as those for Canada as a whole.

On the imports of all dutiable agricultural implements entered for consumption in the provinces of Manitoba, Saskatchewan, and Alberta, April 1 to October 31, 1924, the reduction of the duty as compared with 1923 was an average of 4.5 per cent, or a reduction in duty paid of $98,099.

Mr. McMASTER: Has the hon. member any figures to show what amount the importations bore to the same production?

Mr. WOODSWORTH: I have not.

Mr. McMASTER: Does it not strike the hon. gentleman, with his acumen and spirit of fairness, that these are very unfair figures?

Mr. WOODSWORTH: I should be very glad to have the unfairness pointed out, but

I really cannot see that the reduction has involved a tremendous saving to the farmer.

Mr. McMASTER: If the home production, let us say, is twenty times the importation, then the figures should be multiplied by twenty.

Mr. WOODSWORTH: Yes, that is quite true. I have not the figures. I think it is perhaps for some of the hon. members who advocate this policy to show what these figures actually are. I recognize that these figures only point out one aspect, and if they can be offset, they may show a very considerably increased amount of savings, but we have not had that evidence before us.

Mr. BOUCHARD: Does the hon. gentleman think the comparison between the western farmers and the eastern farmers is just as to the proportional cost of agricultural implements per acre? Do not the eastern farmers require to use more machinery and therefore to incur a larger expenditure per acre?

Mr. WOODSWORTH: The first figures which I gave apply to the whole of Canada, and the second set of figures applies merely to the western provinces. There is not a great variation in proportion between the two. I have the actual figures before me as to the amount in both cases. Although I do not offer this as absolutely conclusive proof, it seems to me it gives an indication of the very small amount of relief which was afforded to the western farmers or to the farmers throughout the whole of Canada. I am inclined to think that perhaps the confession of the hon. member for Maple Creek (Mr. McTaggart) was a very honest one and well based. He said the other day:

> I find that on two occasions in the life of this parliament I voted confidence in the government's promise to reduce the tariffs, but if appearances be not too deceiving, I am prepared to admit that perhaps I may have been flim-flammed.

I take it that the actual operation of the reductions quite justifies the opposition of some of us last year to the government's budget.

Mr. CAMPBELL: Were these figures just for the cultivated land? In that case the saving to the half-section farmer would be considerably less than 83 cents, because the average farm has not 320 acres of cultivated land on it.

Mr. WOODSWORTH: These figures were for the acres in field crops.

The hon. member for West York (Sir Henry Drayton) the financial critic of the opposition, made quite a bid for labour support in his speech advocating protection. In the course of his speech he stated that prices of manufactured products to consumers embody labour costs equal to 60 per cent, and in some cases 80 per cent of such prices. The inference would seem to be that under protection high enough Canada would manufacture $700,000,000 worth of goods now imported, and pay labour 60 to 80 per cent of that amount.

Now, according to the Bureau of Statistics for 1922, at the point of production the gross value of Canada's manufactured products was $2,439,000,000. The combined salaries and wages amounted to $497,800,000. The ratio of salaries and wages at factory valuation was therefore 20.2 per cent; the factory value of a hundred dollars, plus wholesaler and retailer and transportation, would make the consumer's price anything above $130. Assume the average consumer's price is $140, which would be very conservative, then the factory labour cost would be $140 divided by 20.2 or 14.3 per cent, instead of 60 or 80 per cent. I might call attention to the fact that in many industries labour costs form a very much smaller proportion than this. In the flour mills they represent something like 3 per cent of the consumers' flour prices. If we cut out salaries, the average wage labour costs of all manufactured products would be about 11 per cent of the consumer's price. Of course, labour costs are embodied in raw material, but the producer of raw materials in Canada would have the same wage bill whether the raw materials are manufactured in Canada or elsewhere. Similarly, consumer's prices embody wage bills of transportation companies and merchants; but from the wage point of view, whether they handle Canadian or foreign manufactured articles is immaterial. The statements of the hon. member for West York refer only to factory labour costs. I would say that, in view of these considerations, decidedly they are not convincing. Further than that, the hon. member for West York rather gave us the impression that our salvation economically would be along the lines of following France. It is most unfortunate for him that the recent developments in France took place so very soon after his speech was made. I think I cannot do better than quote from an editorial which appeared in the issue of the Grain Growers' Guide of April 15:

> Fairness to France demands recognition of the vast outlay she has had to make for the restoration of the devastated districts, but if comparisons of national welfare are to be made it is also necessary to recognize that the outlay has been by way of currency inflation, and to such an extent that the franc has depreciated

74 per cent. The financial position of the country now is such that the government of M. Herriot is staking its life on a financial proposal involving the issue of two billions of currency, and a forced loan of 100,000,000,000 francs for 10 years at 2 or 3 per cent. The currency issue is necessary to meet issues of the Bank of France in excess of those already authorized by law, and it is stated that these unauthorized issues of the bank have been concealed from the people.

On her foreign debt France is paying neither interest nor principal, and it is very questionable whether the French war debts will ever be redeemed. France, as Sir George Paish stated in his recent speech in Winnipeg, is on the verge of bankruptcy, and if the inflation continues it will mean the complete wiping out of the internal debt. Protection has nothing whatever to do with the condition in France; if anything it is making a bad situation much worse.

I take it that we should be very careful in making comparisons between two countries that differ so very widely in their general economic development as do France and Canada.

I should like to pass to a statement made by the hon. member for Vancouver Centre (Mr. Stevens) with regard to protective duties in Canada and the United States. The hon. member in referring to the tariff of the United States spoke of:

A 4,000 mile boundary and a tariff three times as high as ours.

I have before me a very carefully prepared table which, with the consent of the House, I should like to place on Hansard. The table is as follows:

Comparison of Average Rate of Tariff Duties Canada and United States

Duty collected per capita

		Duty	Population	Canada	U.S.A
1921	(g)	$179,667,683	8,788,483	$20.44	.....
1921	(a)	308,025,102	107,833,284	.....	$2.86
1924	(h)	135,134,894	9,226,740	14.65	.....
1924	(b)	545,012,115	112,078,611	.....	4.86

Average rate of duty on dutiable imports

	Duty		Imports	Per cent	Per cent
1921	$179,667,683	(i)	847,561,406	21.20	....
1921	308,025,102	(c)	1,517,000,000	....	20.30
1924	135,134,894	(j)	591,299,094	22.85	....
1924	545,012,115	(d)	1,535,000,000	....	35.51

Average rate of duty on total imports

1921	179,667,683	(k)	1,240,158,882	14.49	....
1921	308,025,102	(e)	3,654,000,000	....	8.43
1924	135,134,894	(l)	893,366,867	15.13	....
1924	545,012,115	(f)	3,554,138,268	....	15.33

Explanatory notes:—

U.S.A. For items (a) and (b) see annual report of U.S. Secretary of the Treasury 1923-24 p. 391.

For items (c), (d), (e) and (f), see U.S. Trade Information Bulletin No. 276 p. 2.

Canada. For items (g) and (h) see Canada Year Book 1924, p. 455.

For items (i), (j), (k) and (l), see Canada Year Book, 1924, p. 452.

It would seem that, in view of these figures —and the authorities are given in the table which hon. members can study at their leisure —the statement of the hon. member for Vancouver Centre about the United States tariff being three times as high as ours hardly seems to be warranted.

May I refer also very briefly to a statement made by the Minister of Labour (Mr. Murdock) in reply to a line of reasoning which the other day had been put forward by my colleague, the hon. member for East Calgary (Mr. Irvine). The minister accused him of the rankest kind of heresy from the standpoint of labour in suggesting that combines are not necessarily evil.

Mr. MURDOCK: May I correct my hon. friend? I said no such thing. I have always held the opposite view. Would the hon. gentleman kindly quote me correctly.

Mr. WOODSWORTH: I think I am quoting correctly when I state that the Minister of Labour criticized my colleague and accused him of the rankest kind of heresy because my colleague made the statement that combines are not necessarily evil.

Mr. MURDOCK: Would the hon. member please go a little further?

Mr. WOODSWORTH: That was the statement I made a moment ago.

Mr. MURDOCK: That is not correct.

Mr. WOODSWORTH: That is my reading of Hansard.

Mr. MURDOCK: If my hon. friend will turn to page 1998 of Hansard he will find what I said. I criticized the hon. member for East Calgary for saying that "combines cannot be broken, and even if they could be broken, it would be very bad business." I said that was rank heresy so far as I understood the claims of organized labour.

Mr. WOODSWORTH: That is what I am trying to say. That is the statement I wish to discuss. Let me say this much in defence, if necessary, and explanation of the position taken by my colleague. He had said that combines are the natural outcome of the processes which had been going on for the last century. He had been showing that we had long since passed beyond the stage of unrestricted competition, unrestricted free trade. He showed that in that sense combines really represented progress; that they were inevitable. He says further:

I have been suggesting, not the breaking of a combine but the control of a definite monopoly in Canada.

And he went on further to say in another place:

The control of a world combine is only possible by a world force.

All I should like to call attention to is that the words against which the criticism was levelled, if taken by themselves, might readily be regarded as making my colleague justify combines as they exist, and might suggest that he would leave them alone with all their evils, whereas he was simply showing that we cannot do away with combines but that we should control them. That is altogether a different matter. I wanted to make it clear to the House that this is what my colleague and I stand for.

The Minister of Labour also took issue with the member for East Calgary regarding a particular case of an immigrant who came to this country and who was out of work. A letter was read in the House from the immigrant. The Minister of Labour (Mr. Murdock) took the trouble to make an investigation and read a somewhat lengthy statement according to which this immigrant was a very unworthy character. I may say that the statements made in the memorandum submitted by the Minister of Labour have been definitely denied by the man in question but I have no way of determining whose statement is correct, that of the Minister of Labour or that of the immigrant. But it does not in the slightest degree matter, for the purposes of the argument which my colleague was making, which was simply this, that the government had evidently brought out people who were not satisfactorily located on the land. That was the argument, and this particular case was merely incidental. I call attention to the matter in passing.

Now a few remarks with regard to the question of free trade and protection. I think the hon. member for West York was quite correct when he pointed out that there no longer existed in this country the conditions which would seem to afford ground for the belief that free trade as such would offer a solution to our modern problems. The conditions have absolutely changed since the old days when there was unrestricted free trade between individuals. We are living to-day in the age of trusts and combines of various kinds and as a matter of fact we have no longer the kind of free trade that existed in the days when this fiscal doctrine became popular through the Manchester school of economics. In Great Britain protection was the policy of the land-owners who wished to keep out agricultural products and other raw materials which were produced in England. This became the political gospel of the Conservative party, which was the party of the land-owners. Free trade on the other hand was the political gospel of the trading and manufacturing classes of Great Britain and became the recognized policy of the Liberal party, which was very largely the party of the traders and manufacturers. We are often accused these days of advocating something new in suggesting group representation in parliament. The two old historical parties originally represented distinct groups in England, one the group of landed proprietors and the other the group of traders and manufacturers. In Canada the situation has been quite different; protection in Canada has been the policy of the Canadian Manufacturers' Association and of whatever party happens to be in power, while free trade has been to a considerable extent the policy of the agriculturists. To-day there is really no such thing as individual competition. We may still have the competition of rival groups, those groups are sometimes located in a single country, sometimes in different countries, in which case the rivalry tends to become an international dispute. We see on all sides the emergence of these huge trusts, and this development entirely alters the situation and should alter our attitude towards the whole problem. I remember a very interesting treatment of the question of the tariff from the standpoint of the restriction of production. I read a paragraph from a little pamphlet On the Nature and Uses of Sabotage by Professor Thorstein Veblen:

The great standing illustration of sabotage administered by the government is the protective tariff, of course. It protects certain special interests by obstructing competition from beyond the frontier. This is the main use of a national boundary. The effect of the tariff is to keep the supply of goods down and thereby keep the price up, and so to bring reasonably satisfactory dividends to those special interests which deal in the protected articles of trade, at the cost of the underlying community. A protective tariff is a typical conspiracy in restraint of trade. It brings a relatively small, though absolutely large, run of free income to the special interests which benefit by it, at a relatively, and absolutely, large cost to the underlying community, and so it gives rise to a body of vested rights and intangible assets belonging to these special interests.

I suggest that the economic developments of recent years are rendering the older political divisions obsolete. These great industrial, commercial and financial concerns reach across our international boundaries and we can no longer carry on the affairs of any one country as if we were or could be self-contained in our business activities. Let me put it this way: Capital is international; why therefore should we attempt to make industry and commerce national? I should like to have that question answered by some hon. gentleman. Let

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me emphasize it. Capital itself has become international, and capital is recognized as the great driving force, superior to either the commercial power or the industrial power of to-day. Capital is international; why should we attempt to make industry or commerce national? To do so is to attempt the impossible. The labour solution lies neither in the direction of free trade, which under present conditions is not possible, nor in the direction of protection, which so far has meant the protection of industry and not the protection of the worker. I can conceive of there being developed an altogether new kind of protection, a protection not of industries but of standards of living. That would place the matter on a different basis. In our labour unions we frequently make use of the union label which placed on goods guarantees that they have been produced under fair and reasonable conditions with regard to hours, working conditions, and wages. I would suggest that we might apply that principle in the larger field and insist that all goods should be produced under standards of living that measure up to a certain level. For that reason we in the labour movement are interested in the maintenance of the standards in Europe. We are interested in raising the standards in the Orient. If we are to have goods imported from Germany or other parts of Europe where their standards have been forced down since the war we will inevitably have our standards here forced down, and in some way we should be protected from goods of that character. If we are to have huge quantities of goods shipped in from the Orient where their standards have never been as high as our standards, we will meet with difficulties; we will be ousted in this country. It is no solution simply to say, "exclude the orientals;" we need to go further and see that the standards in the Orient are raised. The British Labour party has been dealing with this matter in recent weeks.

Mr. LADNER: May I ask how the goods in this country are to be protected, if cheap German or other goods are not wanted here?

Mr. WOODSWORTH: I was just coming to that point. The British Labour party has been facing that in the importation of large quantities of German goods in recent times. A good deal of pressure has been brought to bear from the Conservative section of the British parliament. On March 17, for example, in the British House a Conservative resolution was presented declaring that free import of goods produced under sweated conditions was inconsistent with the principles of British trade unionism. Now, that argument, presented by a Conservative, was answered from the Labour standpoint. I have not been able yet to read that copy of the Hansard, but a similar position was taken a little earlier. On February 16 a debate took place in the House on a motion submitted by Mr. Ramsay MacDonald declaring that the policy of the government with regard to the safeguarding of industries and the methods by which it was proposed to carry this policy into effect must lead to a system of general tariffs which would not enlarge the volume of trade and safeguard the interests of workers as regards employment, wages and conditions. In the course of that debate Mr. MacDonald asked:

> Would not the government instead of trying to put up a wall against "sweated" goods that experience showed could never be fully effective, take steps to eliminate "sweated" goods altogether, so that they would not be available either for home or for foreign consumption?
>
> In the International Labour Office—

Mr. MacDonald said:

> —they had an instrument for co-ordinating labour conditions in all industrial countries, but he would be very much surprised if the Conservative government and the Conservative party had recently "lifted a little finger to increase the authority of the International Labour Office in order to raise the status of labour throughout Europe."

Undoubtedly we should extend and strengthen the conventions of the Washington conference following the principles laid down by the Versailles treaty, and should insist that we should not have dumped on us goods that came to us from countries which maintain a low standard of living, and refuse to ratify those conventions. I may say that the only practical objection to this policy lies in the fact that Canada herself has not ratified most of those Washington conventions.

Mr. LADNER: Does the hon. member think it possible to figure out what countries have the low standards of living to which he refers? Can you make a general rule applicable to any nation like France or Germany, or does not the cost of living enter into it as well?

Mr. WOODSWORTH: Of course, but if we had the eight-hour day, for example, as a world condition; if we had proper conditions of work applying the world over; if certain minimum requirements were insisted upon all along the line, I would say that if our boasted superiority means anything we should be able to compete with the people of other countries. If not, we shall go down and I am sure we shall deserve it.

Mr. LADNER: Is there any nation which has these conditions to which my hon. friend refers—the eight-hour day and so on?

Mr. WOODSWORTH: A number of nations have already ratified those conventions. If the hon. gentleman cares to read the document from which I am quoting—Industrial and Labour Information as published at Geneva by the International Labour Office, he will find a record of the ratifications made by the various nations. It is very gratifying to find how many of them have been ratified, but it is not very creditable to Canada that so few of them have been ratified by Canada. Our practical difficulty in urging this policy might very well be that other nations that have already ratified these conventions might boycott our goods because they are produced under sweated conditions.

Mr. SHAW: May I ask the hon. member a question? Talking about the subject of protection with relation to working conditions generally, is it not true that some years ago the low-paid workmen of India, who had a very low standard of living, asked for protection in order to keep out English manufactured goods, made by workmen at higher wages and with a very much higher standard of living?

Mr. McMASTER: And working the eight-hour day.

Mr. SHAW: Yes.

Mr. WOODSWORTH: I believe that is so, and I have every confidence that if the conditions of labour are what they should be, this will prove to be of immense advantage to the industry. It has been clearly demonstrated, I think, that from the standpoint of output the eight-hour day is better than the ten or twelve-hour day; that reasonable standards of living and working conditions are at least as effective as the slave-driving that sometimes has been prevalent in our factories. Decent treatment of the workers is surely good business. I throw this out. I simply call attention to this constructive suggestion which has come to us from the British labour movement as it seems to me to be quite practicable. It may be necessary for us in this country to adopt some measure of protection for the workers—protection, I say, not of the industry in order that it may profit by special privileges, but protection against goods that may be manufactured under low grade conditions and by sweated labour.

Just in passing I would say that one of the worst features of the present Dawes plan is that it would seem definitely to lower the conditions of the German workers, reducing them to a position very little short of industrial serfdom. If that takes place we may rest assured that the condition will be reflected here in Canada, as we shall have to come into competition with goods manufactured under those conditions.

Mr. McMASTER: But in the long run, would the hon. member not think that goods produced under wholesome conditions would be produced cheaper than under unwholesome conditions?

Mr. WOODSWORTH: I think so, because in the long run the general intelligence of the people would more than counteract any supposed advantage resulting from the production under unwholesome conditions. It is just a question of time.

Mr. GOOD: Why, then, should we need to protect ourselves against these poorly paid workmen?

Mr. WOODSWORTH: Well, there is the immediate effect, and this might become a permanent condition if there is an almost unending supply of cheap labour. Men will become prematurely worn out between thirty and forty years of age and allow fresh workers to take their place. Thus an abundant supply of workers might carry on by mere brute force. I do not believe that ultimately people of lower standards are going to ride over us, but in the meantime I say it may be necessary to afford protection for our workers. As a matter of fact, nearly all our professions, as well as our labour unions, are built up on the principle of protection. My friend from Brome (Mr. McMaster) belongs to one of the most highly protected unions in Canada—the lawyers' union. I am quite confident that he and his fellow practitioners would be well able to hold their place with the whole world in interpreting the law, certainly with those of us who are mere laymen and still the lawyers think it is necessary to maintain certain standards to protect their profession.

Mr. McMASTER: To protect the public against irresponsible practitioners.

Mr. WOODSWORTH: The medical profession in the same way say, "We need to protect the public."

Mr. CHISHOLM: What about preachers?

Mr. WOODSWORTH: I presume preachers would be in the same class, and as far as I know school teachers are also. Theoretically, undoubtedly in the long run, innate intelligence—shall I say?—and the general intel-

lectual level of the country will tell. But I think we are all agreed that a certain measure of protection might possibly be necessary to meet special conditions. I should like to say to my hon. friend from Brome, who has put forward this question, that we have passed—absolutely passed—the stage when free trade can be offered as a solution, because the conditions which lay behind the doctrine of free trade have long since been passed by in the development of industry.

Mr. COOTE: Can the hon. member suggest any way by which we can protect the wheat producers of this country against the cheap labour of India, one of the competing countries against us in the export markets of the world?

Mr. WOODSWORTH: This is the very problem I have in view when I urge that we must face the fact of world competition. In my judgment we must advocate, as the only ultimate solution, the raising of the standards even of the so-called backward races. It will take some time. For a while we may retain our lead because of superior advantages in the country itself, superior educational facilities, and so on, but sooner or later we shall have to face the fact that the world is a unit and that no part can retain a low standard without its adversely affecting the other parts.

With regard to the motion now before the House, Mr. Speaker, we shall be inclined to support the amendment, because we believe that in one respect at least this very carefully drawn amendment, which does not go very far—

Mr. McMASTER: And is quite self-contradictory.

Mr. WOODSWORTH: It may be in some respects, but at least it does call attention to one of the evils, the sales tax, and in a general way it advocates economy, which is a good thing, only as I have said we ought to go much further than these petty economies to which reference is often made. It may be difficult for us to decide how to vote on the amendment but we shall vote without any hesitation against the budget, because it does not offer any solution whatever to problems which face us to-day. Now I should like to pass to another topic altogether, that is—

Mr. BIRD: Before the hon. gentleman leaves his theory of protection, he will understand that any policy which could be adopted by this House would have to be a general policy, it would have to cover the wheat producer as well as the working man. Could he define just a little more clearly how his theory would apply to the wheat producer, as the hon. member for Macleod (Mr. Coote) tried to elicit, because it is important?

Mr. WOODSWORTH: I do not think I have anything further to add to what I have already said. I was simply suggesting this as a principle that we might attempt to work out. If there are countries producing wheat where the standards are very low, we might refuse to trade with those countries.

Mr. McMASTER: They would not be shipping wheat in here.

Mr. WOODSWORTH: But we are shipping things to them, and we could use a certain amount of pressure, because if we want to ship wheat out we must get something else back in return. We must constantly remember that every export must be balanced by an import, and I take it that even the threat to boycott any country because of its low standards will have a very material effect in enabling that country to raise its standards. I am just giving the general principle. I know it opens a large field, and I have no idea of being dogmatic; I am merely suggesting a possible line of advance.

Mr. HUGHES: Will the hon. gentleman permit me a question? He says that we ship large quantities of things to these low priced, sweated labour countries that are producing goods under conditions adverse to labour. How can we ship goods to those countries under such conditions when we have much higher priced labour here, higher standards of living, and all the things that go with that? I am asking for information.

Mr. WOODSWORTH: I think the hon. gentleman will recognize that very frequently the goods we ship to those countries are of a different character from those produced there, and the fact that we can send in such goods is owing to our efficiency in production.

Mr. HUGHES: Exactly; then what have we to fear?

Mr. WOODSWORTH: I simply repeat what I have said before, that temporarily we may have to fear them because of their great mass of human labour and their low standards under which labour can be simply poured into their productive machine without any thought as to the effect on the labour itself. We had that exemplified in the old days in the Panama canal zone, where they simply poured labour in without any sanitary conditions whatever, and men died by the thousands and tens of thousands. I might point out however that

it was not until the sanitary conditions of the zone were improved that they were able to put the canal through.

Mr. HUGHES: That was a different thing entirely.

Mr. CANNON: Can you export sanitary conditions?

Mr. WOODSWORTH: No, but I think we might insist on sanitary conditions. I am sure the hon. gentleman will remember that such provisions are already included as part of the Peace treaty itself.

Mr. CAMPBELL: Might I point out that the raising of the standard of living of the farmers of India, for instance, and the raising of their general standard of intelligence as well, would mean that they would be producing with more efficient machinery than they are using to-day. They are threshing their grain by driving their oxen over it; we thresh it by very efficient machinery. Consequently we are able to produce wheat cheaper and compete with them on the export markets of the world.

Mr. McMASTER: And they probably garner their wheat with a sickle.

Mr. WOODSWORTH: A large question is raised there, Mr. Speaker, which I think it would not be wise to enter upon at present. I am one of those who believes that the present system of production cannot be indefinitely prolonged, and that the only solution is to alter the motive that lies behind—the motive of profit—and to substitute the method of co-operation for that of competition. But I am sure hon. gentlemen do not want me to go into that question to-night.

Now I propose to pass to the discussion of the coal situation, but I see it is already very late, nearly half past eleven, and I should like very much, if the House would permit me, Mr. Speaker, to adjourn the debate.

Mr. LAPOINTE: I am afraid that if we adjourn at such an early hour we shall not be able to close the debate for another two months. I believe the understanding was to sit a little later to-night.

Mr. WOODSWORTH: I shall take nearly an hour yet in discussing the Nova Scotia situation. I should therefore like to move the adjournment of the debate if there is no objection.

Mr. DEPUTY SPEAKER: It has been moved by Mr. Woodsworth seconded by Mr. Shaw that the debate be now adjourned. Is it the pleasure of the House to adopt the motion?

Motion negatived.

[Mr. Woodsworth.]

Mr. WOODSWORTH: The budget proposes to increase the duty on slack coal. I feel that I cannot allow this opportunity to pass without referring to a matter which is in the minds of a great many of us at the present time, the situation in Cape Breton. May I again call the attention of the House to the history of this company which is again asking for special favours. According to Poor and Moody's Manual Consolidated 1922, at the merger of the British Empire Steel Corporation the total issues of component companies were:

Common..	$ 63,000,000
Preferred..	19,000,000
	$ 82,000,000

At the merger the old issues were increased and transmuted thus

Common..	$ 24,000,000	
Preferred..	77,000,000	$ 101,000,000
		$ 19,000,000

There was thus an actual stock watering by the merger of $19,000,000. Also note that $63,000,000 common was reduced to $24,000,000 and $19,000,000 preferred was increased to $77,000,000. Thus water is turned into wine. A fact finding commission would disclose whether the preferred or common stock represents any equity behind the funded debt or whether all such issues went to promoters, exploiters, legislators, and bondholders as bonus.

Mr. McMASTER: Have you got the funded debt?

Mr. WOODSWORTH: Let me call attention to this: the Annual Financial Review —Canadian—of June, 1923, has evidence that the Nova Scotia legislature authorized Besco to issue $500,000,000 in capital stock. I find on page 181 of this Review with regard to the reduction of capital:

> That the president moved as a special resolution of the shareholders of the corporation:
> "That the capital of the company be reduced from $500,000,000 to $250,000,000,"

In this connection I might read the following quotation from an editorial in the Ottawa Citizen of July 29, 1924:

> There has been issued in addition to the foregoing $101,750,000 and so far as evidence appears in this regard, this amount appears to have been entirely in the nature of a bonus distribution to the bondholders and the parties promoting the merger.

Now, the miners themselves have been trying to express their view with regard to this proposed bonus, and in view of the history of the corporation I should like to present the miners' own view in this connec-

tion. I find in the Labour Herald of March 7, this statement:

McLurg was asked: "If the miners accept a reduction in their wages, will the company reduce the selling price of coal to the consumer?" His reply was "No, we require the money for our bondholders and shareholders."

According to that statement even although the miners were forced ultimately to accept a reduction in wages it will not mean one cent of benefit to the consumers but simply an added profit to the company on distribution to the bondholders. The article continues:

Their annual statement shows that they paid out in dividends for the five year periods ending 1921 on preferred shares $5,350,000, and on common shares $7,786,376.12. They also laid away in reserve funds $9,500,000. Since then they got from the Dominion government $4,500,000 for a plate mill they erected. They own both the mill and the money now.

In the last issue of the Canadian Railway Employees' Monthly is an article by Mr. J. B. McLachlan, the editor of the Glace Bay Herald from which I take the following statement:

Besco was organized in the year 1920, for the primary purpose of eliminating all duplication of production costs then existing because of independent coal companies operating in the same areas. Besco has either cut down that cost, or it has not. The miners claim it has. It is a matter of record that the separate companies that existed before the merger did compete successfully in the Montreal market for two generations—and if the old companies with their greater overhead costs could do that, then Besco can do better under the more favourable conditions of the combine. Here is what Col. Thomas Cantley said on this point the other day when speaking of the ability of the old Nova Scotia Steel and Coal Company to compete in the open markets previous to the Besco merger:

"From 1884 until December 31st, 1920, a period of 36 years, the Scotia Company earnings were $33,307,-329.96 and as stated above, in only one year, 1897, was there any loss in operation and in that year the amount was trifling, being less than $5,000. The total dividends paid during the company's operations were $7,452,758.32—the balance of earnings being put back into the property."

Besco did cut out all duplication of production costs, and to-day is in a far better position than the old Nova Scotia companies to market coal in Montreal against all comers.

Then what is behind all this idleness and hunger? Are these just the results of a common industrial depression felt more or less everywhere? The game that Besco is playing is to secure a cut wage rate so that Besco can get cheaper coal for its steel works, its steamers, its ore mines, its lumber mills and for its boilers at its coal mines. The second phase of the game is to secure a higher tariff so that every other user of coal on the Atlantic sea-board from Sydney to Montreal shall pay more for their coal, and the idleness and hunger are the weapons being used to hold up the government and the country and the miners.

Mr. McMASTER: Who writes this?

Mr. WOODSWORTH: Mr. J. B. McLachlan in the last number of the Canadian Railroad Employees' Monthly. In substantiation of this statement that the present merger ought to be able to enter the Montreal market, Mr. McLachlan quotes from another statement, found on pages seven and eight of the annual statement of the Dominion Steel Corporation and constituent companies for the year ending March 31, 1921, as follows:

"In this connection," said Mr. Wolvin "I wish to call the attention of the holders of preferred shares to the fact that the statement for the fiscal year shows that dividends on your shares for the three companies named were earned five times over. I need not, of course, emphasize the fact that business is most unsatisfactory at present, and in view of this it is all the more gratifying to be able to say that for the first quarter of the current fiscal year ending June 30, the Dominion Steel Corporation after providing for depreciation, sinking fund, and bond interest, has earned at the rate of over three times the amount required for payment of the combined dividends on its preference shares, and on the preferred shares of its constituent companies."

The miners charge that Besco has deliberately refused to sell coal in the Montreal market during the past year, and has, and is, using the idleness and hunger of the miners as a means to cut the wages of producers and increase prices to consumers of coal. The miners in their misery are nothing more than pawns being used by Besco to force the hands of the government and the country. A ten per cent cut in the miners wages would net Besco annually an additional one and a half million dollars, an increased tariff will result in millions more for Besco out of the buyers of coal. By cheaper coal for its own concerns Besco would net at least another half million.

Nor do Besco's tariff delegations to Ottawa end with a mere tariff revision upwards. Here are some of the things that Besco also wants, before it can give the country and the miners any assurance that idleness and starvation shall end in Cape Breton: that the government subsidize coal converted into coke to take the place of anthracite; that the government increase the subvention on coal hauled on the railway, the subvention to apply to sea-borne coal also; and that greater protection be given Canadian steel and steel products. In a word, Besco is holding up the country and trying to put across the biggest blackmailing scheme that this country has ever seen.

It is not merely the miners and the east who are protesting against the situation and asking that this government should do something. I should like to read a few paragraphs from an editorial in the Winnipeg Evening Tribune of March 28, which discusses the proposed duty under the caption, "An incomplete solution." The editorial reads:

It is stated that the proposed increase in duty on American slack coal from 14 cents to 50 cents a ton offers a solution to the troubles of the Nova Scotia mining industry.

The article goes on:

Even if the proposed wage cut is not enforced and the present wage scale is continued, it will not compensate the miners for irregularities of employment, and even with more regular employment their condition would be none too good. Wages of coal miners in Nova Scotia are substantially lower than in

Alberta, for instance, as the following figures of daily wages published recently by the Department of Labour clearly show:

	Alberta	Nova Scotia
Contract miners (average).. ..	$8 33	$7 25
Hand miners..	7 02	4 60
Labourers underground..	6 03	3 65

No reasonably permanent solution of the industrial unrest in Nova Scotia can be hoped for until the workers, the lower paid ones especially, receive both higher wage rates and more regular employment.

Canadian public opinion will not be satisfied to let the present situation be smoothed over by the mere granting of a higher duty on imported coal. The British Empire Steel Corporation can hardly be said to enjoy the respect of the people of Canada. Proof is needed that the duty is really necessary.

I would like to impress this on my hon. friends on the other side:

Proof is needed that the duty is really necessary. It has been charged by the miners that the wages have been kept down in order that dividends might be paid on watered stock. If the increased duty is really necessary to enable Canadian coal operators to compete in Canada with American producers, the country has the right to know who is to benefit by that increased duty. Such facts can only be satisfactorily ascertained by a factfinding commission.

If the Dominion government has the legal right to impose a duty in the interests of a Nova Scotia industry it has an equal moral right to first institute a complete investigation as to whether that duty is necessary.

Mr. MACDONALD (Pictou): What does my hon. friend say to the request made by Premier Greenfield of Alberta to this government that this duty shall be put upon slack coal? What has he to say also to Premier Greenfield's position when he protests against the duty on round coal being reduced

Mr. WOODSWORTH: I hope before the evening is over, or the morning rather, if we must go on, to come to the matter of the Alberta coal situation. In the meantime perhaps it is sufficient for me to state that I am not at all responsible for the statements of Premier Greenfield.

An hon. MEMBER: Doubtful if he himself is responsible.

Mr. WOODSWORTH: I could not say if he is or not, but the Alberta members can look after that matter. This editorial concludes:

If the federal government is weak enough to impose the duty without investigation on the mere say-so of the Nova Scotia steel and coal combine as a solution of the present industrial unrest, it is establishing a dangerous precedent for the solution of other industrial disputes by the same means.

I do not think we are taking an unreasonable attitude in asking that before any such concession as is proposed in the budget is granted the coal company, there should be, as this editorial points out, a fact-finding commission. I am quite aware that the government may say that it has no power, but I should like to read a paragraph here from a letter by the Minister of Labour sent recently to the International Association of Machinists, Montreal. The Minister of Labour states:

I assume that you would expect, as a prime consideration of dealing with the Nova Scotia dispute that an investigation would be held to fix responsibility, and you should know that the federal government has no authority to go into Nova Scotia and summons one single individual before it to give evidence and to produce books, so that any attempt made by the federal government to carry on an investigation would be a simple farce, as the president and others connected with the British Empire Steel Corporation could simply decline to co-operate and to appear when summonsed or to produce books and documents.

This is an extraordinary statement from a minister of the crown.

Mr. MURDOCK: Does my hon. friend say that it is not a correct statement.

Mr. WOODSWORTH: I presume that the minister stands by his statement.

Mr. MURDOCK: No, not necessarily. It does not matter whether—

Mr. WOODSWORTH: I presume he stands by his statement.

Mr. MURDOCK: Of course, but does the hon. gentleman suggest that that is not a correct statement, and that the federal government can go into Nova Scotia?

Mr. WOODSWORTH: Most decidedly I do, Mr. Speaker.

Mr. GARLAND (Bow River): Hear, hear.

Mr. MURDOCK: Could the hon. member get any legal gentleman of note in the country to sustain that view?

Mr. WOODSWORTH: This is a very novel doctrine. As a matter of fact throughout the history of Canada we have had commissions making investigations in every part of this country in connection with all sorts of questions. We have had royal commissions making investigations into the pulpwood question—a travelling commission investigating pulpwood.

Mr. MACDONALD (Pictou): But these investigations have been made in regard to subjects where this parliament could follow up the recommendations of the commission by legislation. Does the hon. gentleman not know that only two months ago the Privy Council held that this parliament had no power to provide for investigations in regard to labour disputes, and that they held that the Industrial Disputes Investigations Act was ultra vires.

Mr. WOODSWORTH: I am sure the Minister of National Defence will hardly press that point of view. Surely the decision of the Privy Council simply held ultra vires the Industrial Disputes Investigations Act. It did not touch other matters of this kind whatever.

Mr. MURDOCK: I do not believe my hon. friend would make that statement if he would read the decision of the Privy Council carefully. The Privy Council decided that this federal government had no right to send a board or to authorize a board to go into the domain of the provincial government, summon one individual before that board and compel him to give evidence.

Mr. WOODSWORTH: Under the Industrial Disputes Act with a view to settling certain disputes?

Mr. MURDOCK: Under any regulation.

Mr. GARLAND (Bow River): What about the Combines Act?

Mr. WOODSWORTH: Yes, what about the Combines Act? Have we any right to summon witnesses here under it?

Mr. MURDOCK: I am glad my hon. friend raises that question, because that is exactly what we are trying to find out now. With the decisions before us I fear that we have no authoritty.

Mr. McMASTER: Then we had better get the authority.

Mr. WOODSWORTH: I quite agree with the hon. member for Brome that we had better get it, or if we cannot, we had better go out of business as a federal government. It seems to me the height of absurdity for responsible ministers of the crown to assert in this House that we have no right to inquire into conditions pertaining to the welfare of citizens in any province of this country. Does the Minister of Labour mean to say that under present conditions we could not make an inquiry such as was made a few years ago into the cost of living? Is that an impossibility? Does he mean to say that we cannot make an inquiry into present conditions on the Great Lakes in the way of combines?

Mr. MURDOCK: The Privy Council decided in the Board of Commerce case that this federal government had no authority to make those inquiries into the cost of living. My hon. friend should read up the legal decisions in order to understand the position we are in. I wish his view was correct and that we could do some of the things he wants. But we are confronted with a reality, not a theory that the hon. member is talking about.

Mr. STEVENS: This parliament, by a committee, did conduct an inquiry into the cost of living.

Mr. MURDOCK: Exactly, but my hon. friend will recall that after that was inquired into, when a somewhat similar matter was taken to the Privy Council the Privy Council decided that this federal government had no right to invade the "property and civil rights" jurisdiction of the provinces.

Mr. STEVENS: The Privy Council never decided anything of the kind.

Mr. MURDOCK: The record speaks for itself.

Mr. STEVENS: Not so far as this parliamentary inquiry is concerned.

Mr. GRAHAM: Perhaps the hon member for Centre Winnipeg will proceed.

Mr. WOODSWORTH: There are just two observations which I should like to make at this point. If conditions are really as they have been stated by members of the government, that is an excellent reason why we should abolish any appeal to the Privy Council. Further than that, I do not know of any greater service that I could render to the people of Canada to-night than to place before the public at large the attitude of the government in a crisis of this kind. I am quite willing to let the strictly legal aspects take care of themselves. The other day I came across a clipping with regard to the situation in Europe. This is an article by Rothay Reynolds in the Montreal Standard quoting from the great industrialist Herr Arnold Rechberg, the oil magnate. He said of conditions over there:

> The captains of the coal and iron industries are more absolute masters of Germany than was William II.

I think we can almost say that of the captains of the coal and steel industry in Canada if the contentions of ministers of the crown are correct. I should like to ask: After all, who are these people that are holding up the country? We have talked about the responsibility of the government here and I think it has responsibility. We have talked about the responsibility of the government of Nova Scotia and I think it has responsibility. But I would say that the first responsibility lies immediately with the directors of this corporation. Who are they that thus defy the whole of the people of Canada? It is of interest that the people of

Canada should know this. Who are the directors of the British Empire Steel Corporation? They are:

R. M. Wolvin, President, Montreal, Que.; Major General Sir Newton J. Moore, K.C.M.G., Vice-President, London, Eng.; J. E. McLurg, Vice-President, Sydney, N.S.; Hon. C. P. Beaubien (Senator), Montreal, Que.; Sir Trevor Dawson, Bart., London, Eng.; Hector MacInnes, K.C., Halifax, N.S.; W. D. Ross, Toronto, Ont.; J. F. M. Stewart, Toronto, Ont.; Galen L. Stone, Boston, Mass.; J. P. Middlesboro, Glasgow, Scot.; Right Hon. Lord Invernairn, Glasgow, Scot.; F. W. Ross, Quebec, Que.; Geo. F. Downs, New York, N.Y.; Hon. J. P. B. Casgrain (Senator), Montreal, Que; R. F. Hoyt, New York, N.Y.; Lorne Webster (Senator), Montreal, Que.

I would note here that three of these directors are residents of Great Britain; three are residents of the United States; only two live in the province of Nova Scotia. One of these is the company's attorney and, according to the papers, one of the men implicated in the bribery of the ex-premier of Newfoundland. Three of these men are senators, distinctly responsible at this crisis. I would say that all except the vice-president, Mr. McLurg, are absentee landlords. What is the spirit of McLurg, the vice-president? We have read his words:

They cannot stand the gaff. We hold the cards. Let them stay out for six months. It matters not, eventually they will come to us.

Here we have capitalism stark-naked and unashamed! That statement of McLurg's in future years, I have no doubt, will be placed side by side with that other characteristic statement of Mr. Paton, who was more truthful than some of the other captains of industry when he declared that "These mills were not built for the glory of God, but for the profits of the shareholders." These men hold in their power the destinies of large numbers of our fellow Canadians. This morning the relief authorities in the city of Ottawa received a telegram which states that to-day there are in Nova Scotia 27,200 individuals absolutely dependent upon the public for relief.

Mr. MACDONALD (Pictou): Might I remind my hon. friend that Mr. Lewis, head of the United Mine Workers of America, has stated that that organization is financing the strikers?

Mr. WOODSWORTH: Whatever may be true of the future finances that may come from the United Mine Workers, I think we must accept the word of the relief agents who are absolutely disinterested and who only this morning sent this telegram to Ottawa:

Red Cross nurses report serious malnutrition. Local relief committee $11,000 in debt with the situation growing worse.

[Mr. Woodsworth.]

We cannot as a House pass by such a situation as that. Surely we have responsibility. The responsibility may rest primarily upon this board of directors whom I have named. There may be responsibility upon the labour organization over in the United States to come to the help of their comrades in Canada. But this federal government cannot escape the responsibility of taking action at this time. We have in our hands certain powers that, I think, will be admitted even by members of the government. We are proposing to grant still further concessions to this company at the very time that this outrage is being perpetrated. The least this government can do is absolutely to refuse further concessions until we have some settlement of this dispute along right lines.

Mr. PUTNAM: Does the hon. member suppose that the change in the coal duties is responsible for the present strike?

Mr. WOODSWORTH: I do not suggest that but I do suggest that we have no right to make any change in the duty favourable to the corporation until the corporation safeguards the interests of its employees.

Mr. MACDONALD (Pictou): Is the hon. member not aware that there are a large number of independent coal companies in Nova Scotia outside the British Empire Steel Corporation? In my county there are three other companies operating.

Mr. WOODSWORTH: I am quite aware that there are some other companies, mostly very small concerns, as the minister knows very well.

Mr. MACDONALD (Pictou): In the county of Cumberland there is the Maritime Coal Company, a very large concern, which has its own independent line of railway; and along the line of that railway there are at least four or five other companies operating successfully.

Mr. WOODSWORTH: I wish to pass now for a short time to another field. Sometimes Nova Scotia members ask us why we confine our investigations to the eastern coal fields and have little to say with regard to the west. I have tried on several occasions to call the attention of the House to the situation prevailing in Nova Scotia because it is more acute than the conditions obtaining elsewhere. But the situation in Alberta has recently been developing at so alarming a rate that I feel, even although the hour is late, since apparently it is not the wish that the matter should be carried over till to-morrow, that I should deal as briefly as I may with the larger aspect of the

situation as it affects the province of Alberta. First of all may I say to my farmer friends that perhaps they have not quite realized the importance of the coal industry in Canada; they have hardly realized how essential it is that this whole question of the development of our coal measures should be settled on some permanent basis. May I then quote a few statistics with regard to the general importance of the coal industry. In the first place, I should like to give the words of Mr. C. V. Corless with regard to agricultural areas. He says:

> Adding together all these areas, suitable in surface, soil, and climate for profitable cultivation, including the cultivable valleys in the highlands, we find a total of rather less than 15 per cent of the area of Canada suitable for profitable agriculture. This leaves 85 per cent, of which the principal or only permanent basic industry is or will be mining. But fully one-third of even this agricultural part of Canada is known to be enormously rich in minerals.

Here now is a statement of the figures given by Dr. Dowling in the report of the Twelfth International Geological Congress. Referring to this, Mr. Corless says:

> From the latter striking report, which is the best estimate yet made, I cull these startling figures for Canada's estimated total coal reserves.

Unit, one billion tons.	
Maritime provinces (chiefly Nova Scotia).. ..	10
Prairie provinces (chiefly Alberta)..	1,132
British Columbia..	76
Yukon Territory..	5
North West Territory (Mackenzie river basin, north of Alberta)..	5
Arctic islands..	6
Total..	1,234

> This inconceivably large figure, 1,234 billions of tons roughly 35,000 times Canada's present total annual consumption, baffles the imagination. It is nearly sixty per cent greater than the total estimated reserves of the whole of Europe; nearly equal to those estimated for the whole of Asia; and one-sixth of those of the entire world.

I would urge that we should not continue to allow this vast natural inheritance of ours to be developed in any haphazard, wasteful, uneconomic way as we have done up to the present time, and that altogether aside from the unsatisfactory relations that have so far existed between operators and employees. Many of you will recall the fact that a few years ago Great Britain made a serious investigation into the production of coal in that country, and we have the report of Mr. Justice Sankey which declared that—

> Even upon the evidence already given the present system of ownership and working stands condemned and some other system must be substituted for it, either nationalization or a method of unification by national purchase or by joint control.

When we hear so much about private ownership and vested interests it is well for us to read some of the evidence submitted before that very important commission. The replies given to the labour men, Mr. Smillie, Mr. Hodges and Sir Leo Money, are worth being pondered by the people in this country, where we have thought that vested interests have not secured so strong a foothold.

Now with regard to the Canadian situation, some of our mines are privately owned while others are under the control of various provinces, and others again are in the control of the Dominion. Among these the chief field is in Alberta, and so I have a perfect right, I should take it, to bring this question before the federal House, inasmuch as the House has jurisdiction in the province of Alberta, at the present time, seeing that it controls the natural resources of that province. Now let me sketch very briefly the condition that prevails out there in the industry itself. I hold in my hand a list of the names of individuals and corporations who are recorded as the owners of coal mining rights acquired from the crown under the provisions of the coal mining regulations in the province of Alberta, and these individuals and corporations number 802. I have here also a list containing the names and addresses of individuals and corporations operating coal mining areas in the province of Alberta, numbering in the year 1923—the last figures available—353. We in the west hear a good deal of over-development, but I do not know of any figures that could be more eloquent than this 353 as to coal development in Alberta.

12 m.

Regarding the general position of the industry I quote from a memorandum prepared by the Coal Mining Lands branch of the Department of the Interior:

> Coal mining rights were disposed of by sale up to the year 1907, and after that year by lease only. By an order in council dated the 9th May, 1907, the form of final title was changed from patent to lease Royalty at the prescribed rate is collected on all coal mined from lands acquired from the crown under the regulations since the 6th April, 1901, but no royalty is collected on the output of mines acquired prior to that date, and no returns of the operations of such mines are furnished the department, so that no information respecting the output of mines which were not acquired subject to the payment of royalty is obtained.
>
> The output of coal mined from lands in the province of Alberta, acquired under lease from the crown during the calendar year 1924, was 1,694,172 tons, and the total output of coal during the same period from lands acquired by purchase under the regulations was 710,899 tons, making a total output of coal subject to the payment of royalty during the year 1924 of 2,405,071 These figures, however, do not include the quantity of coal mined from the 28,000 acres of coal mining lands

sold by the department prior to the 6th April, 1901, the date upon which the royalty provision of the regulations came into force, nor do they include the output of coal from school lands. As the operators of the above area of about 28,000 acres are not required to furnish returns or pay royalty the quantity mined from such lands is included only in the total output of coal from the province.

The total output of coal mined in the province of Alberta, as supplied by the Dominion Bureau of Statistics, is:—

Year	Tons
1920 the quantity mined was	6,907,765
1921 " " " "	5,909,217
1922 " " " "	5,990,911
1923 " " " "	6,848,538
1924 " " " "	5,175,226

The total quantity of coal mined in the province of Alberta during the calendar year 1924, according to the figures which have been furnished this department, was 5,175,226 tons, and the quantity of coal mined in the said province during the year, subject to the payment of royalty, was 2,405,071 tons. Therefore, the quantity of coal mined during that period from privately-owned lands was 2,770,155 tons, which latter quantity also includes coal mined from lands acquired by purchase from the crown under the regulations, prior to the 6th April, 1901, as well as coal mined from school lands.

According to the coal mining regulations, the payment of royalty at the rate of five cents per ton is required, as well as an annual rental at the rate of one dollar an acre. Coal mining lands were disposed of under sale up to the year 1907, at the rate of ten dollars an acre for the surface and mining rights, and seven dollars an acre for the mining rights only, subject to the payment of royalty at the rate of seven cents a ton.

Let me read further a few salient facts taken from a pamphlet called "Coal Statistics for Canada," the data given in which have been collected by the Dominion Bureau of Statistics. The capital value employed in coal mines in 1923 was made up as follows:

Buildings	$44,408,155
Supplies	1,214,629
Cash and bills receivable	6,020,628
	$51,643,412

Mr. McMASTER: That is in Alberta?

Mr. WOODSWORTH: Alberta, yes. I quote:

Value of output, 1923	$28,018,303
Wages, 1923	16,749,909
Number of wage earners, 1923	9,917

Here, may I call the attention of hon. members to this statement: the wage earners' average per 227 day year, 1923, was $741. A great many wild statements are being made as to the enormous wages which are being earned by coal miners. We have here official statistics to show that in 1923 the miners worked only 227 days and that the average wage was $741. According to information furnished me by the chief inspector of mines for the province of Alberta on March 16, 1925, in 1923 the miners worked only 209.95 days and in 1924 only 190.21 days, which, would seem to show that the figures submitted by the Bureau of Statistics are high on this point, and that would correspondingly reduce the average wage paid annually to the workers. Salaries in 1923 amounted to $1,618,042. The number of salaried employees was only 675. Again may I pause for a moment to note the very large number of highly paid officials in these mines, as you will see by working out their average salaries as compared with the average salaries of the employees.

Mr. SHAW: What does it amount to?

Mr. WOODSWORTH: I have not worked out the average, but I would note this: that during 1923 there were 140 fewer salaried employees but there was an increase of pay of $132,519. Now, let me finish this statement:

Miscellaneous operating expenses	$6,692,295
Total output of bituminous and lignite short tons, 1923	6,854,397

I would also like to call attention to the fact that of the quantity of coal produced 73 per cent was consumed and 27 per cent was lost. The detail of the 27 per cent lost is as follows:

	Per cent
(a) Through absenteeism	1.2
(b) Lack of orders	18.4
(c) Car shortage	3.2
(d) Mine disabilities	0.7
(e) Other causes	3.5
	27.0

Just in passing may I also note—the term "short tons" calls it to my mind—that there is a common practice for the operators to pay the men on the basis of what is known as the long ton or English ton and to sell the goods on the basis of the short ton or American ton—again a very unfair thing Surely if we have standards of any kind in this country which must be adhered to, we ought to have a standard of measurement in regard to coal.

We have at the present time in the province of Alberta a commission sitting on this whole question of the operation of the coal mines in that province. Their findings, of course, are not yet available, and failing these I would like to quote a few sentences from a report with regard to the coal mining industry of the province of Alberta made as early as 1919, which indicates pretty much the difficulties that confront the miners in that area. It says:

Many mines only operate one-half of the year or less. If more continuous operation is obtained, the result will be a reduction in the price of coal to the consumer and steadier employment to the workman.

Again:

Provisions for making working agreements, the settling of disputes and such matters that employer and employee deal with, are not satisfactory.

Again:

At many mines the living and housing conditions, and matters pertaining to health and sanitation, are not in a satisfactory condition.

Again:

In some camps the educational facilities are inadequate.

Again:

Much capital expenditure has been lost on account of failure to obtain reliable information about properties and marketing conditions before operations are commenced; and also owing to lack of sufficient capital being provided to carry on operations to a successful issue.

Again:

A considerable loss of market has been sustained owing to: cessations of work; shortage of railway cars; misrepresentation as to size and quality of coal.

Still again:

Your commissioners are of the opinion that considerable saving would be attained if owners would establish some central purchasing agency, thereby standardizing equipment; also that a considerable saving would be attained if the power used were obtained from central power plants located in the various fields. The carrying out of these suggestions, in the opinion of your commissioners, would decrease the cost price of coal, and would not only be a saving to the consumer, but, in addition, would tend to increase the market. As this province has within its borders the largest known coal resources in the world, the conservation of this heritage should be zealously guarded. Your commissioners therefore recommend that you obtain authority from the federal government for the same commission to be given full powers for the safeguarding of this national asset.

So much for the industry. Now let me turn for a few moments to what the miners think about their present situation. I should gladly have brought this matter to the attention of the House at an earlier date, but owing to our rules of order it has been impossible to do so, and I have felt that I could not pass the first opportunity of giving to the House and to the country some little idea of the almost desperate situation that prevails among the miners in Alberta. As early as March 2 of this year I received the following telegram:

Members and families destitue—credit cut off—many not worked since March 19, 1924—remainder only a few days during eleven months. The agreement consummated October 18, yet operators attempting further reductions and open shop conditions. Want to know if federal government will make some effort to solve this problem.

I have been sent a large number of the actual pay sheets of the company. A study of these sheets—which I shall not take the trouble to read to the House—clearly shows that the stories which have been told about exorbitant wages being paid are absolutely fairy tales. It may be true that in a few instances contract miners under very favourable conditions earned large wages, but they are unemployed for a very considerable portion of the year. Then my correspondent said on March 12:

This company—the Hillcrest Collieries Limited—in ordinary times employ about four hundred men, with an abundance of petty bosses, including three general managers, also a managing director. Its financial yearly report showed enormous profits in 1924.

Again let me read a communication which I received from Nordegg on February 23:

The unemployed situation in District 18 is very bad. In Nordegg alone 150 men are unemployed and 400 men on two days a week. Poverty and suffering through lack of clothes and food in this cold region is much in evidence.

A few days ago I had this further communication from the same district and from the same writer, and I would ask the House to pay careful consideration to it:

There are within this province ten thousand unemployed, and the miners of Alberta who are working are not earning enough to keep themselves owing to the company keeping the pay for strike rent; there is much poverty and destitution, and no help from anywhere; women and children starving; and the coal operators taking advantage of the situation and violating the agreement arrived at between District 18 and the Western Canada Coal Operators Association.

Listen to this:

We have exhausted all methods within the law of the country. We have adopted Murdock's method of going "to the foot of the throne." Nothing has been overlooked to try and get some food and clothes in full accord with the law, but every time we have been met with the same answer of No. Now for the last time we are asking the government, through you, to bring in some measures whereby the people of this country can eat. We do not want to take the law into our own hands, but the women and children have to be fed. Therefore on behalf of the five hundred organized workers of Nordegg, and in the interests of the starving people of Alberta, I ask you to try and get something for our fellow beings. The whole situation is more serious than is realized by the King government and the opposition in the House.

We have been told, Mr. Speaker, by the Minister of Labour and by the government that Nova Scotia owns the coal mines of the province; we have been told that Nova Scotia receives royalties on every ton of coal taken from those mines; we have been told that Nova Scotia leases the coal mines to the British Empire Steel Corporation. I want to point out that in Alberta it is the Dominion government that leases the coal mines, it is the Dominion government that receives the royalties, and I should like to ask the Minister of Labour—I am sorry he is not in his seat—what excuse he is going to find now for inaction?

Mr. IRVINE: The British North America Act.

Mr. WOODSWORTH: I do not think the British North America Act applies in this case. Surely, since the natural resources of the province of Alberta are still retained by the Dominion government, and the Dominion government is receiving the royalties, the Dominion government has the right to act in this regard.

One or two quotations only from the miners' standpoint, and I am done. I want to emphasize that to-night I am trying to place before this House what has not frequently been placed before it, that is, the position of the actual working miners in Canada. The secretary of the United Mine Workers of America makes this statement on March 30:

You will find enclosed herewith miner's family budget of prices compiled from information received from various mining camps in District No. 18, which you will readily see is far in excess of the earnings of the miners in this district. The average number of days worked in District No. 18 for the past three years have been 125. Contract miner's average rate, according to the Labour Gazette from the Department of Labour, Ottawa, was $9.08 per shift, making a total for 125 days of $1,135. All day wage labour average earnings, inside and outside the mine, are $6.89, making a total for 125 days of $1,040. On October 10, 1924, the miners suffered a reduction of 12½ per cent, which by combining the average earnings of contract miners and day wage rates together, would show the average earnings of the miners throughout District No. 18 at $958.

The family budget issued by the Department of Labour is taken from five cities in the province of Alberta, namely, Calgary, Edmonton, Lethbridge, Medicine Hat and Drumheller. The average is $21.09 per week for a family of five, making a total for 52 weeks of $1,082.12. This budget does not include clothing and sundries, so it is evident that the budget issued by the Department of Labour is far below the one I am enclosing, which was taken from the cost of these items in the camps in District No. 18, and according to that budget we have a total, including clothing and other items, of $1,865.51.

Now with regard to the proposed alterations in the duties I think it is only fair to read the statement of the United Mine Workers of Alberta. The Minister of National Defence asked me a question a little while ago and I should like in reply to him to give the statement of the miners in Alberta:

You will also find enclosed statement of cost of coal transportation from the mines at Pocahontas, West Virginia to Winnipeg and also from Youghiegheny, Pennsylvania, to Winnipeg which averages at $7 per ton, and we are informed by the Secretary of the Western Canada Coal Operators' Association that this coal is being sold at less than the cost of transportation to the consumers at Winnipeg. It is evident to me that this coal is being placed on the market at Winnipeg at this price for the purpose of keeping coal mined in Canada from getting the market in Winnipeg and east of that city. The freight rates from Crowsnest pass to Winnipeg are $5.20 and the price of coal f.o.b. at the mine is $4.50 making a total of $9.70 per ton sold in Winnipeg, so you will readily see that it is impossible for the Operators of District No. 18 to compete against the American coal now being shipped into Winnipeg.

I have one other communication from the miners with regard to this same matter of duty:

The officers and members of District 18 United Mine Workers of America strongly protest against the action of the federal government in revising the duty on bituminous lump coal from the United States to Canada due to the fact that this will cause a further increase in unemployment throughout the mines of District 18.

Now, Mr. Speaker, one more quotation this time from the president of the United Mine Workers of Alberta. It says:

The Miners' Executive of District No. 18 recognize that the coal industry in the west is in a serious state of over-development. This situation has been admitted by the Minister of Labour and also conceded by all those familiar with the affairs of the coal mining industry but in spite of this deplorable condition new corporations are continually developing and opening up coal mines in western Canada. In spite of our appeals to the authorities to take action in the matter this wildcat development still continues with the final and inevitable result of more slack time and unemployment for the miners already settled around the industry. Government action to prevent the further exploiting of the natural resources of the west should be taken without delay if serious developments in the future are to be avoided. The miners are of the opinion that some tribunal should be appointed by the Dominion government and that said tribunal should have the authority to investigate the records and the books with a view of ascertaining the profits of all coal companies in this district. We believe said tribunal should have power to look into every phase of the industry with a view of preventing the further exploitation of the coal fields by various coal operating firms. In fact it appears to the miners that the only complete solution to the difficulty would be a practicable plan of nationalization of the coal mines, said mines to be operated under the direction of practical mining men.

I have pointed out, Mr. Speaker, some of the evils of the existing system of production. We have very heavy overhead expenses; we have numerous officials; we have watered stock; and side by side we have inefficiency. There must of necessity be inefficiency in small scale mining. Anyone who has visited the mines of the west will know that when you have a very small area with a dozen or twenty mines trying to carry on operations you must have inefficiency; in some way they should be organized. We have over-development and let me remind you that it is the Dominion government that is responsible for the granting of these leases to these various companies; and above all we have what is of importance to the workers, and of great importance I should think to the country at large, unemployment. At this late hour, I do not propose to attempt to point out the solu-

tion. I had hoped that if I could have reached this subject earlier in the session I would have been able to discuss at some length a resolution which I had on the order paper to the following effect:

That, in the opinion of this House, measures should be taken to regain for the use of the people the coal mines which are now being exploited in the interests of private corporations rather than for the needs of the public.

I would simply leave that resolution with the House, suggesting that it is along those lines and along those lines only that we can hope for the solution of these urgent problems which are pressing upon us at the present time.

On motion of Mr. Marler the debate was adjourned.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 30, to correct a clerical error in chapter 166 of the statutes of 1924, intituled: "An Act for the relief of James Henry Kirkwood."—Mr. Anderson.

Bill No. 33, respecting "The Restigouche Log Driving and Boom Company."—Mr. Michaud.

On motion of Mr. Lapointe the House adjourned at 12.35 a.m. (Wednesday).

Wednesday, April 22, 1925

The House met at three o'clock.

REPORTS OF COMMITTEES

RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo) presented the first report of the select standing committee on Railways and Shipping owned, operated and controlled by the government, as follows:

Your committee recommend that their minutes of proceedings and evidence be printed from day to day for the use of the members of the committee, and that rule 74 be suspended in relation thereto.

He said: I move that the report be concurred in.

Mr. MEIGHEN: The motion is only to print the proceedings?

Mr. EULER: That is all.

Mr. MEIGHEN: It is not a request of the committee for permission to sit while the House is in session?

Mr. EULER: No.

Motion agreed to.

RAILWAYS, CANALS AND TELEGRAPH LINES

Third report of the select standing committee on Railways, Canals and Telegraph Lines.—Mr. Cahill.

BANKING AND COMMERCE COMMITTEE

Mr. VIEN presented the second report of the select standing committee on Banking and Commerce, as follows:

Votre comité a étudié le bill n° 35, loi concernant la Compagnie d'Assurance Mutuelle du Canada sur la Vie, et il a été convenu d'en faire rapport sans modification.

Mr. HOCKEN: Mr. Speaker, I did not understand the report. Will the clerk translate it?

The report was read in English, as follows:

Your committee have considered Bill No. 35, respecting the Mutual Life Insurance Company of Canada, and have agreed to report the same without amendment.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

TAX REMISSIONS

Sir HENRY DRAYTON:

What, if any, remissions or reductions of income taxes or excess business profits taxes have been made by order in council during the fiscal year last past?

Hon. Mr. CARDIN (for the Minister of Customs):

Name	Amount
Wellesley Hospital Limited..	$ 2,482.10
William Davies Company, Limited..	£36,312
Edward Gurney Estate..	$ 3,397.27
Edward H. Gurney..	777.33
Frank Stafford..	1,867.15

The remission to William Davies Company, Limited was paid to the government of the United Kingdom—vide paragraph (c) of section 3 of chapter 11 of the acts of 1916.

HARRIS WHARF, VICTORIA COUNTY, N.S.

Mr. DOUCET:

1. What work was done on new Harris wharf, Victoria County, Nova Scotia, during the calendar year 1923-24?
2. Was the work done by contract or day labour?
3. If by contract, who was the contractor, what was the contract price and were tenders called for?
4. What were the names of each tenderer and the amount of each tender?
5. If the work was done by day labour, how many persons were employed, what were their names, what was the rate of wages paid, the number of days each person worked and the number of horses employed?
6. What amount was paid for the different classes of material, to whom and at what price?

Hon. Mr. KING (Kootenay):

1. A crib work block and span wharf 136 feet in length with an approach 100 feet in length, and a warehouse 12 by 16 feet was

constructed at New Harris, Victoria County, N.S., during the years 1924-25.

2. Done by contract.

3. (a) D. A. Cameron.

(b) Contract price based on unit price at approximately $6,820.03. Amount of final estimate $5,834.11.

(c) Yes.

4. D. A. Cameron.. .. .. $6,820.03
Thomas D. Morrison.. .. .. 7,259.51
Kenneth D. McKay.. .. .. 7,547.32
Musgrave & Sons Limited.. 8,350.00

5. Answered by No. 2.

6. (a) Material supplied by department and taken over by contractor at cost price:

D. G. Kirk & Son. Ltd.

1343 lin. ft. creosoted logs at 75c $1,007.25
850 " " " " at 85c 722.50
6,567 Ft. B.M. " timber at $95. M. 623.86

St. John Iron Works.

3,922 lbs. iron and wire spikes.. .. $196.10

(b) Material supplied by contractor,—no information.

CANADA-AUSTRALIA TRADE RELATIONS

Mr. MacLAREN:

During the present time, while negotiations with Australia for better trade arrangements are proceeding, why is the Canadian Trade Commissioner to that country being retained in Ottawa?

Hon. Mr. LOW: As Mr. D. H. Ross, the Australian Trade Commissioner was on leave in Canada, on the regular leave granted all Trade Commissioners, he was sent on the special trade inquiry to the West Indies. Not only was he the only trade commissioner available at that time for this special service, but he was particularly experienced and well qualified to handle negotiations of this kind. Mr. Ross is remaining in Ottawa at present completing arrangements for the conference which will be held here in June. The office in Australia in the meantime is being very efficiently handled by Mr. Ross's assistant, who has been in the employ of the department for several years, and whom Mr. Ross himself endorses as being competent to handle the Australian end of any questions which may arise during his absence. Mr. Ross will return to Australia as soon as the arrangements for the West Indian conference have been completed.

PELAGIC SEALING TREATY

Hon. Mr. TOLMIE:

1. How many years has the Pelagic Sealing Treaty, signed at Washington July 7, 1911, yet to run?

2. Under what conditions can it be terminated?

3. What territory does the treaty cover?

4. Has there been any marked increase in the seal herds since the treaty went into effect?

5. If so, what are the figures?

6. How much revenue has been derived from this source by the government of Canada since the treaty was signed?

7. For what purpose has this revenue been used?

8. Is it the intention of the government to ask for the termination of this treaty?

Hon. Mr. CARDIN:

1. Term is indefinite.

2. By twelve months' written notice given by one or more of the parties thereto to all of the others at any time after December 15, 1925.

3. The portion of the North Pacific Ocean north of the 30th parallel of north latitude, Behring sea, Kamchatka sea, Okhotsk sea and Japan sea.

4. Yes.

5. On the United States Seal islands—the Pribilof islands—the seal census of 1912 showed that there were 215,738 seals there. In 1924 the number was 697,158. Similar data is not available for the Russian and Japanese islands.

6. $694,548.16.

7. $60,663.75 thereof was used to pay amounts awarded to claimants found to be damnified by the treaty. The balance went into consolidated revenue.

8. The matter has for some time been engaging the attention of the Minister of Marine and Fisheries.

CUSTOMS REVENUE FOR 1925

Mr. McCREA:

1. What was the total revenue of Canada for the year ending March 31, 1925, from all sources under the control of the Customs department?

2. Does this include every source of cash contributions?

3. If not, what are the other sources of cash contributions?

4. How much of this revenue is contributed by each of the nine provinces, giving each source of revenue separately?

Hon. Mr. CARDIN (for the Minister of Customs):

1. $305,945,251.35.

2. Yes.

3. Answered by No. 2.

Province	Import Duty	Excise Taxes	Excise Duties	Sundry Collections	Income War Tax	Business Profits War Tax	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
Nova Scotia	2,646,110 74	1,425,189 13	34,350 02	29,790 09	847,525 14	28,334 55	5,271,047 70
P. E. Island	136,526 17	83,297 51	39,158 93	765 42			
New Brunswick	4,349,091 95	1,259,616 44	220,357 69	27,743 87	754,373 89	24,516 71	6,635,700 55
Quebec	32,760,989 41	30,207,311 32	28,147,605 27	288,996 18	19,445,059 74	690,377 07	111,540,338 99
Ontario	56,168,585 99	41,107,142 42	8,398,022 07	277,240 00	25,765,482 06	1,513,661 31	133,230,133 85
Manitoba	6,854,637 41	4,126,180 53	869,537 43	41,183 25	3,477,069 32	153,817 53	15,522,425 47
Saskatchewan	1,239,606 05	913,898 99	49,702 14	16,908 34	872,028 03	51,239 03	3,143,382 58
Alberta	2,594,436 37	1,949,513 25	591,438 26	10,690 38	1,163,911 16	48,366 00	6,358,355 42
British Columbia	13,387,030 58	5,179,585 07	632,607 77	60,800 31	3,855,447 21	192,969 48	23,308,440 42
Yukon Territory	94,557 74	24,421 83	.....	2,311 65	66,596 36	.....	187,887 58
Preventive Service	.....	.....	.....	422,553 01	.....	.....	422,553 01
Special Branch	.....	.....	.....	3,741 93	.....	.....	3,741 93
Department of Customs and Excise	.....	311,357 45	.....	1,184 15	.....	.....	312,541 60
British P.O. Parcels	6,798 38	1,903 87	.....	.....	.....	.....	8,702 25
Total	120,238,370 79	86,589,417 81	38,982,779 58	1,183,908 58	56,247,492 91	2,703,281 68	305,945,251 35

ASSINIBOIA—TELEGRAPH OFFICE

Mr. HOPKINS:

1. Does this government operate a telegraph office in the town of Assiniboia in the province of Saskatchewan?

2. If so, what is the yearly expenditure, and what are the yearly receipts?

Hon. Mr. KING (Kootenay):

1. Yes.

2. Fiscal year 1923-1924: (a) $1,644; (b) $41.58.

YUKON BUFFALO HERD

Mr. BLACK (Yukon):

1. Is it a fact that the government, on the request and recommendation of Mr. Robert Lowe of Yukon, is about to transport to Yukon and establish there a herd of buffalo or bison; and when will such action be taken?

2. If so, how many of such animals are to be sent to Yukon?

3. In what part of the territory will such herd be established?

4. Are they to be kept in corrals or allowed to roam at large?

5. Will keepers be employed to take care of them, if so, how many?

6. Has this undertaking the approval of the gentleman said by the government to be now engaged in framing policy for administration along lines that will protect natives and conserve wild life?

7. What is the object of such proposed undertaking?

8. What is the estimated approximate cost of such undertaking?

Hon. Mr. STEWART (Argenteuil):

1. No.

2 to 8. Answered by No. 1.

MR. L. M. FORTIER

Mr. BLACK (Halifax):

1. Was Mr. L. M. Fortier representing the government when taking over Fort Anne park as per terms of minutes?

2. Was he authorized by the government to close the road around the ramparts, built by the citizens for one-way vehicular traffic?

3. If so, on what date was this ruling made, and what is the ruling?

4. Was any investigation promised by Mr. Harkin?

5. If so, on what date was it held and who were present?

Hon. Mr. STEWART (Argenteuil):

1. Mr. Fortier was appointed Honorary Superintendent of the park in April, 1917. The park was established by order in council, dated the 24th January, 1917. Mr. Fortier was not acting as a representative of the Department of the Interior at the time of the establishment of the park.

2. The road around the ramparts has not been closed to one-way horse drawn vehicles. It has not been thrown open under the parks regulations for motor traffic. The parks regulations in regard to the use of motor vehicles provide as follows:

> A motor vehicle shall be permitted to enter any park only via such roads and to be driven on such roads and streets throughout a park as the minister shall have designated or shall from time to time designate.

Mr. Fortier, as departmental representative, is responsible for seeing that the parks regulations are enforced in the park. No specific instructions were issued in connection with prohibiting the use of this road by motor vehicles.

3. Answered by No. 2.

4. When a protest was received against not allowing this road to be used by motor vehicles, the informant was advised that the matter was being thoroughly looked into by the department.

5. The department has been gathering information and if it is considered necessary to have an official of head office investigate on

the ground, such investigation will be ordered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COST OF PUBLIC PRINTING

Mr. SUTHERLAND:

1. What is the total amount spent by the present government since coming into office for public printing, aside from that done by the Printing Bureau?
2. What are the names of the firms or individuals awarded this printing, what amount of work was done by each, and at what price each year since the coming into power of the present government?

GOVERNMENT WHARF AT LOCKEPORT

Mr. JONES:

1. Did the government acquire by purchase or otherwise since 1921, a wharf property at Lockeport, Nova Scotia?
2. When was it acquired and from whom?
3. What was the price of the property?
4. Have any repairs or additions been made to the property since it was acquired?
5. If so, when were the same made, and what was the cost thereof?

Hon. Mr. KING (Kootenay): I notice that under "Notices of Motion for Production of Papers" this same information is being asked for in the form of an order for return. I would ask that the question be dropped.

Mr. MEIGHEN: I do not think the hon. member (Mr. Jones) is here. Do I understand the minister to say that this information is being asked for in an order for return?

Mr. KING (Kootenay): Yes.

Mr. MEIGHEN: Why not make this an order for return and combine the two?

Mr. SPEAKER: Passed as an order for return?

Mr. KING (Kootenay): Yes.

Mr. JONES moved:

For a copy of all reports, estimates, statements, specifications, offers, accounts, vouchers, correspondence and other papers relating to the government wharf at Lockeport, Nova Scotia, and repairs and additions thereto since the year 1921.

Mr. MEIGHEN: This is the motion, I presume, to which the Minister of Public Works (Mr. King) referred. I can see no reason for not answering the question.

Mr. KING (Kootenay): I think all the information will be contained in the return.

Mr. MEIGHEN: Yes, but it should be on Hansard, as the hon. member (Mr. Jones) asks for it, unless it is too long.

Mr. KING (Kootenay): It is not too long, but why have two returns?

[Mr. C. A. Stewart.]

Mr. MEIGHEN: What I mean is this: Unless the answer is too long there is no reason why the question should not be answered. It does not appear that it would be too long. I presume the hon. member wants it on Hansard. He has never spoken to me about it.

Mr. KING (Kootenay): It is the same information that is being asked for in both cases. I do not see why there should be two requests for the same information. If the hon. member wants the information in an order for a return, that is all right, if he wishes an answer to the question, all right; but why bring down two answers covering the same thing?

Mr. MEIGHEN: The production of papers does not answer the question.

Mr. SPEAKER: Carried.

Motion agreed to.

LOANS TO ROUMANIA AND GREECE

Hon. Mr. MANION (for Hon. Mr. Stevens)

For a copy of all correspondence and documents passing between the governments of Roumania and Greece and the government of Canada, or the High Commissioner, or any other person representing Canada, regarding the adjustment of outstanding debts between said governments and the Dominion of Canada.

Hon. Mr. ROBB: My hon. friend who has moved this resolution is not in his seat. I would suggest that this might stand until his return. It seems to me that, as it is worded, it is not exactly what he intended. This government is not in a position to bring down correspondence between the governments of Roumania and Greece.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): That is not the intention.

Mr. ROBB: I think the motion might stand until my hon. friend returns.

Mr. MEIGHEN: I think I may take the responsibility of saying that is not the intention. It means between the governments of Roumania and Greece on the one hand, and the government of Canada and the High Commissioner on the other.

Mr. ROBB: Perhaps it might be allowed to stand.

Mr. MEIGHEN: The hon. member is up in one of the committees of the House. There is no reason why we should not pass the motion with that understanding.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It will take a little time to get the return because the High Commissioner has to be communicated with. However, there is no reason why the motion should not pass as amended.

Motion as amended agreed to.

INSPECTOR OF PENITENTIARIES

Mr. DOUCET (for Mr. Black, Halifax):

For a copy of all correspondence, reports, documents, telegrams, or memoranda, passing between the Department of Justice and any other departments of the government, or ministers, or any other parties whatsoever, within the past six months, relating to the appointment of Inspector of Penitentiaries, and especially relating to the refusal to accept for such appointment Colonel Eric W. MacDonald of Halifax.

Motion agreed to.

CAMP BORDEN

On the Orders of the Day:

Mr. W. A. BOYS (South Simcoe): I should like to call the attention of the government and the Department of National Defence to despatches that appeared in the Toronto Telegram, one being dated Ottawa, April 20, and the other Kingston, April 20, as follows:

The question of removing the air force from Camp Borden to Mohawk Camps at Deseronto has been under consideration by the Defence department, but it was stated there to-day that the scheme is only tentative and in "embryo." The present quarters at Borden are considered to be too much off route, while the buildings, originally erected by the Royal Air Force, are out of repair.

The despatch from Kingston of the same date reads as follows:

Charles Hanna, M.P., Belleville, is planning so that Camp Borden will be removed to Mohawk Camp, said to be a much more desirable location. According to many interested in Camp Borden, there are drawbacks for aviation work contemplated by the government. Camp Mohawk is said to be ideal for the work. Camp Mohawk also provides for the development of hydroplanes, which is said to be one of the reasons for moving Camp Borden.

I should like to ask the government whether or not the matter has been under consideration, and if any decision has been reached in that regard what is the nature of that decision. I should like an answer to the question from the government or from the Minister of National Defence.

Hon. E. M. MACDONALD, Pictou (Minister of National Defence): In the Votes and Proceedings my hon. friend will find a question covering the matter of which he has spoken.

Mr. MEIGHEN: A question?

Mr. MACDONALD (Picton). This question will appear in the orders of the day tomorrow. The matter has been under the consideration of the department but no decision has been reached.

VALUE OF FARM PRODUCTS

On the Orders of the Day:

Hon. A. B. COPP (Secretary of State): Yesterday my hon. friend from East Elgin (Mr. Stansell) drew the attention of the government to a return which he had moved for last session but which he said had not been brought down. I may say to my hon. friend that on looking over the Votes and Proceedings of last year I find that the return he was inquiring about was laid on the table on May 19, 1924.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Tuesday, April 21, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, while there are very many matters which arise in this House from day to day upon which it is very difficult indeed, almost impossible, to agree, it does seem to me that there is one upon which we should be on common ground, and that is the explanations which we as members of the House of Commons give to this House and consequently to the public in relation to the financial statement submitted by the Minister of Finance in his budget speech. Those explanations, Mr. Speaker, should be of such a nature as to enable the public to fully grasp the contents of that financial statement—the entries, its purport and its effect. Of course I am very well aware that criticism of a justifiable nature is advantageous, that kind of criticism cannot be denied; but criticism which is founded on inaccuracy or which is brought forward purely for partisan reasons has two results: First, the public mind is very much confused; and in the second place, it casts suspicion upon the acts of those officers of the crown who are responsible for the preparation and the presentation of the statement in question. Now you will agree, Sir, and I think all hon. members will agree, that to have any suspicion cast on the officers

of the crown as regards the preparation and the presentation of the statement in question cannot be advantageous either to the public or to this Dominion as a whole.

In the course of this debate, Mr. Speaker, certain assertions have been made which are most unfortunate in their inaccuracies. In other cases the facts have been distorted purely for partisan reasons. As a result the public mind is confused. To-day, to the extent of my ability it will be my effort to remove certain of these inaccuracies, to give a fair explanation as regards this financial statement, and what it means and what it purports to be, and also, to the extent of my ability, likewise to give some explanation of the conditions of the finances of this country.

I will first take up the statement which has been submitted by the Acting Minister of Finance. I will review it, and examine it also, with a certain degree of care. I will attempt to give to the entries which therein appear their proper application; and I will also attempt to show the relations, the reflection and effect, which our railway indebtedness have on the financial statements which have been submitted from time to time to this House and consequently to this country. Now, this is the statement which the Acting Minister of Finance submits as the financial statement for the year ending March 31, 1925, and he states that the revenue for the year amounts to $344,000,000. Then he deals with the expenditure and divides the expenditure under two separate headings; the first dealing with the ordinary business of the country, and the second dealing with the business of the country which is not considered to be ordinary business, namely, the railway advances. Likewise the first part of the statement is subdivided under three headings: Ordinary expenditure, capital expenditure and special expenditure. As I have stated the revenue for the year is $344,000,000. Part one deals with the expenditure of the ordinary business of the Dominion:

Ordinary expenditure..	$ 319,700,000
Balance over ordinary expenditure..	24,300,000
Capital expenditure..	18,077,000
Balance over..	6,223,000
Special expenditure..	4,400,000
Balance over (after providing for the ordinary business of the country).. ..	1,823,000

Which balances out with the revenue of $344,000,000. Part 2. We then come to that part of the business of the country which is not ordinary business, and in that category the Acting Minister of Finance states that he has made railway and other advances—almost entirely railway advances as a matter of fact—to the extent of $19,527,000. As against that he applies the balance over, after dealing with the ordinary affairs of the country, of $1,823,000, and an increase in value of certain assets of $4,000,162, making a total amount to apply as against the railway advances of $5,823,162, and he brings down as an increase in the consolidated debt during the year the sum of $13,703,838. I would like to make clear what that statement purports to be. It purports to be a statement relating to the consolidated debt and the consolidated revenue of the country, and brings down as a result the net increase of the consolidated debt alone. It has not, nor is it intended to have, any connection with the railway indebtedness of the country. That is an entirely separate and distinct matter and has to be taken into consideration separately, although it is true it reflects to some extent upon the consolidated fund of the country because the two are to some extent related. But this statement is clearly a statement as regards the consolidated fund of the country alone. That being the case, certain criticisms which have been made in this House with regard to this statement seem to me to be most uncalled for. I intend as a matter of fact to read certain of those criticisms and put them on Hansard, because I will take them up for what they are worth as I proceed with my remarks, and I will show that this statement which has been submitted by the Acting Minister of Finance (Mr. Robb)—and I will treat with that later on in the course of my remarks—is prepared and is submitted and in precisely and exactly the same way as previous statements have been prepared and submitted to this House from year to year. The first statement which I desire to comment upon is that of the hon. member for Vancouver Centre (Mr. Stevens), and I am extremely sorry that the hon. member is not in his seat this afternoon. I sent him notice that I proposed to quote his remarks to-day. I will read to the House the criticisms to which I take exception, because they are very germane to the remarks I propose to make. At page 1653 of Hansard of March 30, my hon. friend used these words, referring to this statement:

> As a matter of fact, it was a presentation that was hopeless in its confusion and baffling in its inaccuracies.

This budget I cannot conceive as being other than deliberately designed to deceive the people as to the correct condition of affairs. It is a subtle expedient designed to shield a guilty and moribund government from the just indignation of an awakening public opinion.

Mr. MEIGHEN: Hear, hear.

Mr. MARLER: My hon. friend says "hear, hear," and hon. members behind him cheer. Are my hon. friends proud of a statement like that coming from a former minister of the crown casting aspersions on the manner in which statements of this nature are prepared? Will my hon. friend say "hear, hear"? Is he proud of that statement?

Mr. MEIGHEN: I am proud of its accuracy.

Mr. MARLER: So that my hon. friend says that that statement is accurate, and that the statement submitted by the Acting Minister of Finance is inaccurate.

Mr. MEIGHEN: Hear, hear.

Mr. MARLER: And that it is not based on statements previously made. Will my hon. friend say that?

Mr. MEIGHEN: My hon. friend had better make his speech. I say the language of the ex-Minister of Trade and Commerce (Mr. Stevens) is absolutely true. I suggest that the hon. member quote the leader of the Progressive party to the same effect.

Mr. MARLER: I am not quoting him at all.

Mr. FORKE: As a matter of correction, I think if the right hon. leader of the opposition takes the trouble to re-read my speech, he will find it entirely coincides with the remarks made by the hon. member who has just spoken.

Mr. MEIGHEN: I will quote some of it.

Mr. MARLER: My right hon. friend (Mr. Meighen) agrees word for word, letter for letter and dot for dot with the ex-Minister of Trade and Commerce in what he says, the sentiments he expressed, and everything contained in the particular criticism which he presents to this House and places before the country, when he says that the Acting Minister of Finance submits a confused statement, and that the officers of the crown bring forward statements that are not correct—a splendid statement to be proud of and to put forward, when the government applies for the next internal loan. It is something to be proud of, especially coming from an ex-minister of the crown. It is not an ordinary member of parliament, mark you, Mr. Speaker, but an ex-minister of the crown who makes the statement that it is baffling in its inaccuracies and intended to deceive the public. My right hon. friend says that he subscribes word for word and letter for letter to that statement.

We will now proceed to another criticism offered by another ex-minister of the crown, the hon. member for Fort William and Rainy River (Mr. Manion), whom it is always a delight to hear speak in this House, and who expressed himself in no uncertain terms with regard to the statement in the budget and the subsequent explanations which were given of the budget, and we may put them both together in order to be fair. It is a great delight to hear my hon. friend speak, but on this occasion he must have thought he was speaking in some place where he would not be heard and where his voice would not go all over Canada, where any aspersions cast on a minister of the crown would not be cast on the government officials of the country, because these are the words he used:

Or are we to have a conspiracy of silence, or perhaps what is worse, a tissue of half truths, in dealing with the financial condition of our country? I am reminded of a remark made by Napoleon when he was referring to a German diplomat: he said. "That man lies too much. It is necessary to lie sometimes, but not all the time."

Well, Sir, if these hon. gentlemen, ex-ministers of the crown, take any glory out of a statement of this description, I certainly do not. If hon. members opposite take delight in making statements of that kind and sending them across the country they are welcome to whatever pleasure they derive from such a proceeding but if they think they are rendering their party or the country any service they are, in my opinion, very much mistaken. Aspersions of that nature cast on officers of the crown and members of the government concerning financial statements—not as regards questions of policy, not as regards what has taken place or what is put into such financial statements, but ascribing to their authors the deliberate intention to baffle and deceive—are highly improper and no member of the House is justified in resorting to such criticism unless he is sure that his statements are accurate. As a matter of fact the statements which have been made are not accurate in any particular. I do not wish hon. members to take my word in regard to the accuracy or inaccuracy of the statement I make in the House to-day.

Before dealing at greater length with these criticisms which ex-ministers of the crown have made in the House and in the country, I will remind hon. gentlemen that in the last six years we have had four different finance

ministers in Canada, and we have had seven separate budget speeches. In the year 1919 Sir Thomas White made the budget speech. In the years 1920 and 1921 my hon. friend from West York (Sir Henry Drayton) was Minister of Finance and made the budget speeches. In the years 1922 and 1923 my right hon. friend from Shelbourne and Queens (Mr. Fielding) who, unfortunately through illness is not in the House to-day, was Minister of Finance, and to-day we have the hon. member for Chateauguay-Huntingdon (Mr. Robb) as Acting Finance Minister. He has made two budget speeches, namely in the years 1924 and 1925. Now, Sir, laying these facts before you, simply recalling these facts to your mind, as I do recall them, you would imagine, and very properly so, that these seven budget speeches would likely be brought down in some different form, You would be absolutely justified in thinking that four ministers of finance having made budget speeches, they would have at least brought down budget speeches in four different forms. But you will be astonished to know that those seven budget speeches, as regards financial statistics, are in almost identical form, with this exception, that the speeches made by the Right Hon. Mr. Fielding, if I may refer to him by name, and by the present Acting Minister of Finance (Mr. Robb) are more ample in their information than those previously made in this House. If hon. members will bear with me for a moment, I will emphasize this point a little further, because it is of some importance as it has been said that this financial statement as submitted to this House is in a different form from the form previously used. Further than that—and, this is the point I desire to make at the present time—this financial statement, being divided into two parts, first of all taking the ordinary business of the country, and, second, the other business of the country, treats our distribution of revenue in precisely the same way as these other ministers of finance have treated it from time to time. With the intention and view of showing that that statement is correct, I want to take up Sir Thomas White's speech of the 5th June, 1919, and I am quoting from Hansard, page 3143. I will read a very short paragraph of this speech. Sir Thomas White goes on to say:

> Now, Mr. Speaker, having dealt with the financial and commercial position of the Dominion, I now proceed to the consideration of the important problem of our estimated expenditure for the present fiscal year 1919-20 and the fiscal proposals which the government has to make in connection therewith.
>
> It will be advantageous in assisting us to reach a conclusion with respect to these matters if I first briefly review the result of the last fiscal year which ended on March 31, 1919.

This is the point that I wish to call to the particular attention of hon. members:

> During that year the expenditure of the Dominion upon account of the ordinary services of the government amounted to $240,000,000. The outlay upon capital account aggregated $22,000,000.

Hon. members will please note the peculiar and extreme similarity between the manner in which this statement is presented and the manner in which the statement I am reading was presented. He continues:

> If we follow the practice which has been hitherto adopted in treating as surplus the amount of revenue received in excess of the ordinary expenditure, it will appear that for the past fiscal year the government had a surplus of $70,000,000, which was devoted to war expenditure. If, on the other hand, we first appropriated our revenue to the payment of both ordinary and capital expenditure, the surplus which was used for war expenditure was $48,000,000.

Let hon. members not misunderstand me. Sir Thomas White in this speech did not claim a surplus over all expenditures. That is not the point at all. He said: We had so much revenue. We first applied that to ordinary account and then to capital account, and then we had a balance left over. The Acting Minister of Finance says in almost the same words exactly the same thing. He says: From my revenue I have provided for so much ordinary expenditure and for so much capital expenditure, and he adds certain expenditures which Sir Thomas White, in those days, very properly did not add because, war being in progress, those expenditures were very large. In the disbursements for that year to which Sir Thomas White referred, there were some $60,000,000 of expenses on account of the railways, it is quite true, and I do not desire to mislead the House in any way. Advances to railways in those days were put in active investments and did not appear in the yearly expenses of the country. But in the next year, 1920, that amount of $60,000,000 which, in 1919, was treated as an active investment, was written down by the Minister of Finance in those days, the hon member for West York (Sir Henry Drayton) as an inactive investment. Was that a baffling thing to do? Did Sir Thomas White intend to deceive the country by his action? He acted in good faith; but if anything would baffle a person reading those speeches, finding one year the $60,000,000 had been paid out in railway advances and the next year written down, it is far more baffling than in the present statement which fully and distinctly says what the railway advances were. Let us take up further the speech of the hon. member for West York in 1920, and I regret

he is not present to hear what I have to say. He made an admirable and excellent speech; true, full of figures, true, sometimes difficult to analyse, far more difficult to analyse than the simple statement which is in effect before us to-day. I am not decrying my hon. friend the member for West York. Had I been in the House, I would not have said, as the hon. member for Vancouver Centre says:

> It is a subtle expedient designed to shield a guilty and moribund government. . . . This budget I cannot conceive as being other than deliberately designed to deceive the people as to the correct condition of affairs.

I would not have used those terms at all. What I say is that in quoting the speech of the hon. member for West York who at that time was Minister of Finance, hon. members will find again exactly the same division between ordinary expenditure and expenditure of another nature entirely. I read in this case from page 2483 of the Revised Hansard of 1920 where he says:

> The revenue for the fiscal year ended 31st March last—

That is the 31st March, 1920.

> —will, when the accounts are finally closed reach approximately $388,000,000. This is the largest revenue that the country has ever collected.

This is where he talks about the distribution and hon. gentlemen should mark these words:

> With a total revenue of $388,000,000 and an ordinary expenditure of $349,000,000, it will be seen that during the fiscal year 1919-20 the government, after meeting all ordinary expenditures, including an increased amount for interest account and pensions over the previous year totalling nearly $39,000,000, has a surplus of approximately $39,000,000 over ordinary expenditure, to apply to capital expenditure.

Do hon. gentlemen notice the extreme similarity in these statements? The hon. member for West York in his budget statement says: I have so much revenue. I am going to apply it in a certain way, and after applying it to ordinary expenditures, I have a surplus. Here again he did not intend to mislead the House about the ordinary expenditure, neither did the Acting Minister of Finance But the point is this. The ordinary affairs of the country are separated, and rightly so, from the railway business of the country which is segregated and put into an entirely different account, so that as regards our ordinary expenditure we can always make a reasonable and fair comparison and say: There is our ordinary business on that side and there is our railway business on that side which has to be treated in an entirely different way. That segregation and classification to those who go into the railway business and study these complicated systems of accounting, will be found the correct way to treat the financial affairs of the country and also to treat its presentation to parliament and to the people of Canada each year.

I will take up the further speech of the hon. member for West York as I want to make this matter abundantly clear to hon. members in view of the remark made by the hon. member for Vancouver Centre that this statement was intended to deceive the people of Canada. In the year 1921 my hon. friend from West York delivered, as Minister of Finance, a speech from which I shall quote briefly at the present time. At page 3117 of Hansard of that year he said:

> The revenues for the year exceed the ordinary expenses of the country, including all pensions and all current war charges, by $69,400,000 and exceed the sum total of the ordinary expenses, together with the regular charges to capital and war, by $12,298,000.

There is not a word said there about railway advances; the railway advances are not taken into consideration in this particular segregation and classification of accounts. And I think the hon. member was quite right in not taking them into consideration in that way. But I would ask hon. gentlemen opposite to read through the speeches I have read and note the practice there followed; let them read through one of the speeches of Sir Thomas White. The leader of the opposition (Mr. Meighen) smiles.

Mr. MEIGHEN: I beg pardon; I was not listening to the hon. member, I was reading a letter.

Mr. MARLER: I regret my right hon. friend is not interested in this matter; he should be.

Mr. MEIGHEN: I cannot do two things at once.

Mr. MARLER: He is standing up for assertions made on that side which are false.

Mr. MEIGHEN: Will the hon. gentleman permit me. I said that the hon. member for Brandon (Mr. Forke) had made statements to the same effect as those made by the hon. member for Vancouver Centre (Mr. Stevens). I have since turned up the reference, and if the hon. gentleman will permit me I will read the exact words of the hon. member for Brandon and let them speak for themselves. At page 1579 of Hansard of the present year the hon. member for Brandon is reported as follows:

> I also want to say, Mr. Speaker, that the financial statement given to the House does not reflect exactly and faithfully the conditions of the country at the

present time, nor our financial standing either. First, I wish to say a few words in regard to the different methods of book-keeping that are practised by successive governments. Let me explain that in discussing this matter I speak as a plain man who has no knowledge of accounting; but it does seem to me that there should be no difficulty in the government making up the accounts in such a way that at the end of the year, the ordinary man, the man in the street, who after all represents the great majority of the people of this country, should be able to form some idea, a correct idea, as to the national finances.

Mr. MARLER: Quite so. The hon. member for Brandon was quite right, that he had not the actual knowledge of accounts which the hon. member for Vancouver Centre possesses; that hon. member is an accountant, and he had no business making the statement he made. What my right hon. friend says is not apropos. But I was not referring to the hon. member for Brandon but to the hon. member for Vancouver Centre.

Mr. FORKE: It would be only fair for the leader of the opposition to read the next paragraph as well.

Mr. MEIGHEN: I have no objection to reading any paragraph, but it is not divided into paragraphs.

Mr. FORKE: Continue the quotation.

Mr. MEIGHEN: Let the hon. gentleman read it himself.

Mr. FORKE: I do not know but what the House might benefit by re-reading that speech.

Mr. GOOD: Does not my hon. friend think it would have been better to have included that item of $19,000,000 with the other railway items in the railway account special?

Mr. MARLER: The advances for the railways have always been treated in a separate account. Before the year 1920 the hon. member will not find any railway advances in the public accounts; the first year we find them so treated is 1920. Right along the hon. member will find the accounts segregated under ordinary account, capital account and special account; and there was a further division made later on of railway advances. In Sir Thomas White's time the railway advances were treated as an active asset and did not appear at all; but later on the hon. member for West York wrote the assets down. It is true that when he did so he was careful not to take into consideration the $55,000,000 expended in the year 1920; he wrote down the $284,000,000, not taking into consideration that $55,000,000 was represented in that year's expenditure.

To come back to the question of the segregation of accounts, what I say is that it would be better to have the railway accounts an entirely separate matter, so that on one side of the sheet one could see the ordinary business of the country, and on the other side the figures in connection with our railway business. I will explain that point later on if the hon. gentleman will excuse my not dwelling on it just at present.

Mr. GOOD: This $19,000,000 item should be included in the railway account proper.

Mr. MARLER: My hon. friend is a little confused in that respect. He must realize that money is expended on the railways in two ways: first, out of the consolidated fund. And whatever has been expended out of the consolidated fund has been invariably charged to the net debt since the year 1920. Before that, Sir Thomas White had not charged them to the consolidated debt; they were held as an active asset and so were not taken into consideration in the computation of the net debt. But my hon. friend must also bear in mind that money is raised for the railways by way of bond issues guaranteed by the Dominion. The railway account to which I refer should contain not only the amount paid out of the consolidated fund, made by way of a cross entry into that account, but also the net amount by which the indebtedness to the public is increased by reason of the bond issues. That is the form in which the railway account should be set out, and if the hon. member will wait a few moments I shall explain it later and shall be glad to answer then any questions he may ask.

I have discussed one speech of Sir Thomas White and two of those delivered by the hon. member for West York; and those speeches, so far as financial statistics are concerned, are in form practically identical with the budget speech submitted at the present time. And if hon. gentlemen will take the trouble to consult the speeches made later by the present Minister of Finance (Mr. Fielding) in the years 1922 and 1923 they will find there also identically the same form made use of; they will find the Minister of Finance saying, "Now let us turn to the railway advances of the country and deal with them." In other words, he deals first with the ordinary business of the country and then he takes up the railway business, although I admit that his speeches are more ample and give more information than previous speeches. Let me ask hon. members across the floor, do they think that these statements made by the hon. member for Vancouver Centre and by the hon. member for Fort William and Rainy River as reported in Hansard are fair? Does the

hon. member for Fort William and Rainy River persist in saying that there has been a conspiracy of silence?

Mr. MANION: May I answer the hon. member?

Mr. MARLER: I wish the hon. member would; I am waiting for an answer.

Mr. MANION: I did not discuss the speeches of other ministers of finance at all but merely referred to the fact that there was no surplus whereas the present acting minister had claimed one. As a matter of fact, I may tell the hon. gentleman that I have never read a whole lot of the financial speeches to which he has referred to-day; what I discussed was altogether the question whether there was a surplus at all and I claimed, as I still claim, that the Acting Minister of Finance should have disclosed a deficit instead of claiming as he did that there was a surplus.

Mr. MARLER: My hon. friend was not speaking of a surplus. If the hon. gentleman has not read the speeches to which I have referred he has no business to say that there is now a conspiracy of silence; if he applies those words to the present budget, and if the hon. member for Vancouver Centre speaks of it in the way he has done, these hon. gentlemen must apply the same terms to the speeches I have discussed as delivered by Sir Thomas White and the hon. member for West York.

Mr. MANION: I was speaking of a conspiracy of silence in regard to the actual deficit that should have been disclosed.

Mr. MARLER: My hon. friend is hedging.

Mr. MANION: Not at all.

Mr. MARLER: As a matter of fact the Acting Minister of Finance did not claim a surplus over all expenditures, as the hon. member will see if he has read the present budget speech.

Mr. MANION: He claimed a surplus of $2,000,000.

Mr. MARLER: He claimed a surplus of $1,823,000 on ordinary expenditure. Now let me take any one of these speeches at random; let us see what surpluses hon. gentlemen opposite have claimed. This is from the budget speech of the hon. member for West York in 1920:

> We had a surplus of approximately $39,000,000 over ordinary expenditure.

Does my hon. friend say that the ex-Minister of Finance was telling lies when he said that?

Mr. MANION: I was not discussing the member for West York; I was discussing the present Acting Minister of Finance (Mr. Robb).

Mr. MARLER: I intend to clear this matter up on the floor of the House now. If my hon. friend from Fort William and Rainy River—and I may include also my hon. friend from Vancouver Centre—used those terms of the Acting Minister of Finance, those same terms are directly applicable to the hon. member for West York and to Sir Thomas White. Now, let my hon. friend apply those words to the two ex-ministers of finance, or withdraw them against the present Acting Minister of Finance.

Mr. MANION: My hon. friend had better apply the words to whomever he wishes. I applied them to the man I chose to apply them to.

Mr. MARLER: My hon. friend is now losing his temper; he finds himself in a hole. He was talking of things he knew absolutely nothing about. He did not take the trouble to read the previous budget speeches, he admits that from the floor of this House.

Mr. MANION: I listened to them.

Mr. MARLER: And yet he says that the present budget speech is "baffling," not knowing what the speech of a minister of finance should be like at all.

Mr. MANION: If my hon. friend would permit me? He is becoming a little extravagant in his language. I have been in this House for eight years listening to budget speeches, and I ought to know something about them.

Mr. MARLER: My hon. friend just admitted that he knows nothing about them at all.

Mr. MANION: Nothing of the sort.

Mr. MARLER: My hon. friend is a college man, he studied logic, and he ought to understand that if one speech is deceitful, another speech in the same form must be deceitful also. It is a mere matter of reasoning. My hon. friend was speaking of the surplus and he said of the Acting Minister of Finance, applying it indirectly to him:

> I am reminded of a remark made by Napoleon when he was referring to a German diplomat: He said, "That man lies too much. It is necessary to lie sometimes, but not all the time."

Fine words from my hon. friend! Yet on it he hinges his argument as to the surplus of $1,823,000. There was an excess of revenue over ordinary expenditure to that extent, but the Acting Minister of Finance did not claim a surplus over all expenditure. He did claim a surplus made up precisely and in exactly the same manner as Sir Thomas White and the member for West York made up their surpluses in their three budget speeches.

Now, Mr. Speaker, we will examine this subject a little further. We will pass these random speeches that my hon. friend from Fort William and Rainy River has not read, and that I believe the hon. member for Vancouver Centre has not read either, although he made up some extraordinary figures which later on I will speak about. We will take the second part of the speech, that relating to the railway advances, I will ask hon. members opposite, if they have any interest in this subject to get out the speech of this year of the Acting Minister of Finance and read the statement which is made there and compare it with the statements made in the two speeches of Mr. Fielding. They will find that the railway loans are all particularly mentioned in all those speeches, not the application. Do not misunderstand me. I am speaking of the deceit which my hon. friend spoke of, this baffling speech which does not place before the country all the facts regarding the national finances. My claim is that the speeches as they are contain a full disclosure of all matters relating to the consolidated debt and of all bond issues which were made, whether guaranteed or not in so far as the railway advances were concerned.

4 p.m.

Mr. FORKE: Mr. Speaker, does not the hon. gentleman think it was a little difficult to find what the railway deficits would be from a perusal of the speech of the Acting Minister of Finance? I could not find it until I got the annual report of the Canadian National Railways; then I could see where the railway deficit came in.

Mr. MARLER: My hon. friend is perfectly right in saying that it is one of the most difficult things in the world to find out the reflected influence by way of bonds and refunding and the manner in which that reflects on the consolidated debt. There is no doubt about that at all. I admit the difficulty in that respect. But let me point this out to my hon. friend from Brandon, that the statement in the budget speech is not a railway statement at all, it does not deal with the railway accounts. It simply says that these are the obligations which the Dominion of Canada has undertaken during the fiscal year ending March 31, 1925; and owing to the fact that certain indirect obligations were issued that year on account of the railways, it details them there at that time. But to find out what application and what reflection they have with regard to the railway accounts, one has to look to the railway accounts themselves. But let me repeat to my hon. friend from Brandon, that the budget speech is not a railway speech at all, it is simply a speech relating to the consolidated debt and to the obligations of the country particularly of the then current year.

Mr. GRAHAM: And therefore for different years.

Mr. MARLER: Entirely. I will explain that later, I think to the satisfaction of my hon. friend. I observe what the Acting Minister of Finance says as regards our railway advances and indirect obligations. In his speech he made the situation perfectly clear. He stated that the cash advances to the railways amounted to $18,027,000, but in addition to that he says that we have issued during the year certain guaranteed and certain unguaranteed securities, of which securities so issued we have used a certain amount for refunding purposes, that is, to pay off obligations, not increasing the railway debt, and the balance we have emitted to the public with our guarantee. Now, I am not taking up at the present moment the application of the money which was used in so far as these guarantees or the proceeds of these loans are concerned; I will come to that later on; I am taking up this fact, and this fact only—and I want to impress this on hon. members—whether there was a full disclosure made of all the obligations of the Dominion in that budget speech, which is denied by my hon. friends of Fort William and Rainy River and Vancouver Centre. I say that disclosure was made there.

Mr. BOYS: Will my hon. friend tell us, after his profound study of the situation, what the true status is, taking under review the surplus of revenue over expenditure and with it the deficit on the National railways? In other words, if he has no objection I should like to get that information very much in a nutshell what is the true position of Canada, taking into consideration those two features, and, doing so, what is the deficit?

Mr. MARLER: Certainly, I will be only too glad to tell that to my hon. friend later, if he will pardon my going on with the continuity of my remarks.

Mr. BOYS: My hon. friend has asked some questions here of two members of this party who unfortunately at the present time are engaged in the performance of other and important work in the Ocean Rates committee. I feel quite confident that if they were here they would ask him to be courteous enough, even at the risk of interfering with the continuity of his speech, just to give us in dollars and cents—something I have no doubt he can do in a moment or two—what is the deficit, taking into consideration the surplus of $1,800,000 referred to and the deficits in connection with the National railways?

Mr. MARLER: I am extremely sorry to appear to be discourteous to my hon. friend, but I do not wish to break into the continuity of this story which I am attempting to tell in a perfectly clear way. Let my hon. friend have patience.

Mr. BOYS: I am full of it.

Mr. MARLER: I am first of all dealing with the question of disclosure.

Mr. BOYS: If my hon. friend will permit me this once I will not trouble him any more. I think I have asked him an important question, and that is what he has been dealing with. If he will give me an answer now I shall be very glad to have it; if not, I must content myself without the information.

Mr. MARLER: I am extremely sorry, but my hon. friend's anticipation will be so delightful for the next ten or fifteen minutes that he really will not be sorry that I am not able to oblige him at once.

Mr. BOYS: I have a committee to go to.

Mr. MARLER: I am extremely sorry, but if the hon. member will wait—

Mr. BOYS: Kindly give it now.

Mr. MARLER: I intend to tell this story in my own words and in my own time. I intend to take these matters up as I go along, and I intend to the extent of my ability to give a fair, honest and decent presentation, not the sort of presentation and criticism which came from the opposite side of the House.

Mr. MOTHERWELL: Nail them to the barn door.

Mr. MARLER: I was speaking, when the interruption came, on the point of disclosures in these various budget speeches. I had stated that the present Acting Minister of Finance as well as Mr. Fielding had disclosed in their respective budget speeches a full statement of the railway bond issues which took place year by year, whether those issues had been guaranteed or not by the Dominion. Now I want to ask hon. gentlemen opposite this, in view particularly of the following statement which also comes from my hon. friend from Vancouver Centre later on in his address—Hansard, page 1663.

> It does not disclose the full extent of the nation's obligations and commitments; nor does it correctly interpret the revenue accounts of the country.

Another accusation! Now let us look again to the budget speeches of my hon. friend from West York, and ask ourselves, did he disclose one of these railway guarantees in his speeches? Did he come forward and say, as my hon. friend the Acting Minister of Finance has said that in the year 1925 we emitted to the public three-year 4 per cent guaranteed notes to the extent of $20,000,000 and thirty-year 4½ per cent guaranteed notes to the extent of $26,000,000? Did the hon. member for West York ever show that? He said not one single solitary word about any loans, guaranteed or not, which were made by the railways in either of his budget speeches. But you will say: None were issued at that time, consequently there was no necessity of mentioning them. You will be surprised to hear that in the year 1920 there were issues to the extent of $42,109,026; you will also be surprised to hear that in the year 1921 there were issues of $77,000,000; but not one word appears about those particular issues in either of the budget speeches of the hon. member for West York.

Let us keep out of our minds for the time being the application of this particular indebtedness. I am speaking of the disclosures, of this alleged illusory statement which my hon. friend the Acting Minister of Finance has put forward, and which has been received with such severe recriminatory remarks by hon. gentlemen opposite. I repeat again, the statement of the Acting Minister of Finance is a full disclosure of what took place regarding the consolidated fund and the railway bond issues for the year.

Mr. LADNER: I happen to have checked some of these figures myself.

Mr. MARLER: I am glad to hear someone has checked them.

Mr. LADNER: The hon. gentleman is full of fire and brimstone at the moment. There are two sides to the question.

Mr. MARLER: I am simply talking common sense.

Mr. LADNER: Will the hon. member not agree on the question of disclosure that the real point of difference is this? In 1925, $10,000,000 was advanced in cash by the government to the railway, and not $17,000,000 as the Acting Minister of Finance has said, because $7,000,000 of that $17,000,000 was interest, as you will find by checking the figures. Ten million dollars was advanced then. In 1924, $23,000,000 was advanced in cash, making a corresponding less amount of guarantees. In 1923 the advance was $77,000,000. So the real point of that is this, that the government changed its practice. Whereas formerly they advanced cash to the railway they owned, now they advance practically no cash but pursue the policy of indirect guarantees, thereby enabling them to present a statement which appears to show a fine balance sheet, but which as a matter of fact obligates us in exactly the same way as if we had advanced the cash.

Mr. MARLER: I understand what my hon. friend is trying to get at. I am not discussing the question of method, but the question of disclosure.

Mr. SPEAKER: I wish to remind hon. members on both sides of the House that while a question may be put with the permission of the member who has the floor, a question which becomes a speech in itself cannot be allowed. There is a rule of debate in this House that an hon. member may speak only once, and if his question or interruption lasts too long he may be prevented from addressing the House when he comes to speak for himself.

Mr. MARLER: I quite understand the point my hon. friend is trying to bring out. That also will be taken up fully in the course of my remarks. My hon. friend need not be disappointed, I am not trying to sidestep this question at all as to the effect of the railway bond issues on the debt of the country. My hon. friend will find me speaking quite openly when I come to that question.

Mr. STANSELL: I understood the hon. gentleman to say that for the past seven years practically the same course had been pursued in the delivery of the budget statements. Was the same plan followed last year? Is not my memory correct when I say that the hon. member disagreed very strongly with the budget of last year?

Mr. MARLER: I am not talking of questions of policy at all. I am talking of what the budget speech discloses. My hon. friend taunts me, and perhaps correctly so, with what I stated last year. Then I approached the matter in a decent and a gentlemanly way, unlike the manner in which hon. gentlemen opposite have approached it this year. I did not make any such statements of castigation as they have made in this debate, but I gave my opinion, and if I may refer to the Prime Minister I think he said that I gave what my opinion was in an honest and a fair way; I think those were his words. But it is not a question of policy I am discussing now. I am discussing now the ordinary general form of the budget speech, and I say that this budget speech is in substantially the same form, except indeed that the Acting Minister of Finance and Mr. Fielding were more ample in their disclosures than the previous administration.

Hon. gentlemen will remember that I stated that after taking into consideration part 1 and part 2 accounts, there was a net increase in the consolidated debt during the year of $13,703,838. Here again I must take issue with my hon. friend for Vancouver Centre. I regret extremely he is not in his seat today in order to hear what I have to say in this regard because it is a matter of considerable importance. He discussed the condition of the debt on page 1655 of Hansard, and he discussed it in very extraordinary and very positive terms. He begged the House, he begged every hon. gentleman in the House to listen to his words detailing, as he did—I have the quotation before me—the debt on a certain date, March 31, 1922, which was substantially the date when the previous administration went out and that on the 31st of March, 1925, it was another amount, showing an increase in the debt of virtually $9,000,000. My hon. friend from Vancouver Centre went on to say: Your figures are all wrong; there is something wrong here; $300,000,000 has disappeared; what have you done with it? Show it up. It is quite true, he said of the Acting Minister of Finance, you have an honest face and an honest appearance but your accounts are dishonest. He says to the Deputy Minister of Finance "We know that you are not a thief but your accounts are most extraordinary; there is $300,000,000 gone somewhere and we cannot find it". He says to the officials of the Department of Finance "We know you are not tricksters but your accounts show by my figures that there is $300,000,000 lost. Where is that $300,000,000? Where has it gone?"

I can say to my hon. friend from Vancouver Centre that if he makes up his accounts in the same way that he made up that computation, he is in danger of losing not only 300

millions but 300 billions of dollars because the calculations which he has made are absolutely wrong. They are founded on wrong premises; they do not even show knowledge of the facts as he states them. What does my hon. friend do? He takes the net debt on the 31st March, 1922, and the net debt on the 31st March, 1925, and he says there is an increase in the debt of $9,000,000. But he says, and hon. gentlemen will mark this well, that those on this side of the House have stated in the various budget speeches that on 23rd May, 1922, there was a surplus of $33,000,000, on May 11, 1923, a surplus of $61,000,000, on April 10, 1924, a surplus of $67,000,000, and on March 24, 1925, a surplus of $24,000,000, that you add all these together and there is $187,000,000 that has to be accounted for. But more than that the Imperial government paid to this government an amount of $122,000,000, so there is $309,000,000 which should be deducted. In other words the debt shows an increase of $9,000,000. Deduct the $9,000,000 from the $309,000,000, and you have a net deficit not accounted for of $300,000,000. That is my hon. friend's way of reasoning, Mr. Speaker, and it is reasoned out very carefully. It is not a question of simply casting up these figures of my hon. friend from Vancouver Centre; he has it all down here in black and white. He has sent the statement all over the country with respect to this side of the House "Just what have you done with that $300,000,000?" He says to the tax paying public in Canada "There is something wrong here. There is $300,000,000 that should be applied to the national debt and your taxes reduced." That is his reasoning. Well, it is an extremely simple thing to show where this reasoning is wrong and I cannot understand how my hon. friend from Vancouver Centre fell into the difficulties and the errors in calculation which he did. In the first place he talks about the surplus of May, 1922, of $33,000,000. That is not applicable to the three years he has under review at all. That is applicable to the previous three-year period; it did not fall into 1922 at all. Take his other three surpluses. He has forgotten to deduct the capital expenditure and the special expenditure. That does not account, it is quite true, for the $122,000,000, but he forgot that that was an active investment and never had been taken into consideration in the calculation of the net consolidated debt at all. In other words it was merely a cross-entry in the books. In order to correct my hon. friend the member for Vancouver Centre and put this record on Hansard, let me give these figures:

Surplus in 1923 over ordinary expenditure..	$ 62,321,168
Surplus in 1924 over ordinary expenditure..	72,024,493
Surplus in 1925 over ordinary expenditure..	24,300,000
Total..	$158,645,661
Less capital special and cash advances in the years 1923, 1924 and 1925 of..	$171,092,403
Resulting debit..	$ 12,446,742
Less net increase in assets..	3,095,432
Making net increase in debt..	$ 9,351,310

Which balances in all respects, dollar for dollar, letter for letter, with the public accounts as submitted. Recalling the statement of the hon. member for Fort William and Rainy River and looking at this statement of a $300,000,000 loss I was wondering, can we not apply his words "what kind of gold brick financing, what kind of political shell game is the Acting Minister of Finance trying to put over the country" to his friend who sits to his left when he submits a statement that there is a $300,000,000 deficiency. My hon. friend is silent.

Mr. MANION: I might say to my hon. friend that we are not holding court here. One might think he was defending a criminal from the way he is acting.

Mr. MARLER: I am not defending a criminal, that is precisely the point. I am saying that my hon. friend accuses people of being criminals and they are not criminals.

Mr. MANION: I was drawing the conclusion from my hon. friend's attitude that they were.

Mr. MARLER: That is the peculiar attitude of my hon. friends over there. I do not know the reason for it but it is probably disappointment.

Mr. MANION: Might it be that hope has made my hon. friend change his attitude?

Mr. MARLER: I think my hon. friends over there will some day reach the age when disappointment gives place to humour and anger to tolerance. Now taking up the question of the increase in the consolidated debt, I might give these figures to hon. gentlemen opposite—and perhaps they are very unpalatable indeed—but I want to show the increase in the net consolidated debt with the increase in the railway indebtedness owing to the emission of bonds. Then bringing the two together I wish to compare the three-year period of 1920, 1921 and 1922 with

the three-year period of 1923, 1924 and 1925. That is what I want to arrive at; that is what I want to put frankly and clearly before the House. I am not trying to hide anything, not trying to deceive anybody. I intend going into a comparison of the guaranteed and of the unguaranteed railway issues and making a comparison of the three years. I think that is the question that my hon. friend from Brandon wants answered. As a step to enable me to do that I first of all have to arrive at what is the increase in the net consolidated debt over a certain period. I want to be abundantly fair to my hon. friends opposite in making this comparison. I want to arrive at the point so that they cannot say that I have made this comparison not giving them credit for demobilization expenditures, not giving them credit for assets which have been written down although they were advances made in cash in the past. I want to give them credit for all that and I want to arrive at the result for the second three-year period by means of expenditure other than demobilization, other than the writing down of these decreases. That is the point I want to arrive at, and I want to be absolutely fair to everybody in that respect. Now these are the figures:

Net consolidated debt March 31, 1919..	$1,574,531,032
Net consolidated debt March 31, 1922..	2,422,135,801
Increase in three years..	$ 847,604,769
Increase due to demobilization..	$ 343,249,099
Due to transfer of assets from active to non-active list..	228,115,555
Due to expenditures other than demobilization..	256,240,115
Total..	$ 847,604,769

That is the figure I would like hon. gentlemen to bear in mind—the figure regarding expenditure of 256,000,000 odd dollars.

Now take the comparison for the next three year period, that is to say the period for the years 1923, 1924 and 1925:

Net consolidated debt, April 1, 1922.. ..	$2,422,135,801
Net consolidated debt, March 31, 1925.. .	2,431,487,113
Total..	$ 9,351,312
Increase in three year period, which increase is due to:	
Demobilization to extent of..	$ 5,385,842
Transfer of assets from active list..	904,730
Expenditures other than demobilization..	3,060,740
Total..	$ 9,351,312

I would like my hon. friends to bear in mind these figures, so that the reflection of the railway indebtedness can be joined up and tied up with this.

[Mr. Marler.]

The amount of increase owing to expenditure then of the first year period was $256,-240,115 and the increase due to expenditure outside of demobilization during the second period was $3,060,740.

Now I will continue, so that this question as regards the railways may be brought properly into consideration. I think it is only right, before discussing this question, to take into consideration the fact that this debate has centred to great extent around the question as to whether the railway bond issues, less refunding, should figure in the net consoliated debt. There is something to be said for that, and there is a great deal to be said against it. In the first place, our railway business is an entirely separate business. It is operated by a board of directors quite distinct and quite independent. That board of directors report to the president. He reports to the Minister of Railways (Mr. Graham) and the Minister of Railways is the connecting link between the railways and the people of this country. As we all know the railways have been an extremely expensive matter to finance each year. They come year after year to parliament for a certain amount. These amounts have been advanced either in the way of cash advances, in which case they have appeared in the net consolidated debt, or in the way of loans, mostly guaranteed, but sometimes not guaranteed by the Dominion, in which case they have not appeared in the net consolidated debt. Hon. gentlemen opposite have taken this stand—and there is something in the stand which they take—that the amount of money which is indirectly guaranteed should appear in the debt of the country. I do not think it should appear in the net consolidated debt, but I think it should be in a separate account. In other words we should have on one side of the sheet our ordinary business and on the other side of the sheet our railway business; so that adding the two together we would know each year exactly what the additions to the consolidated debt and to the railway debt of the country are, the two together making our combined debt. Once that is started it is not a difficult thing to do, because we have the entries relating to our ordinary account, which are quite simple, and we can ascertain from the railway report of last year the amount of the bond issue outstanding to the public. All one has to do is to add to the bond issues the amount issued each year and deduct the refunding. The result in total will show what the increase in the railway debt is for that year. As against that railway debt we have

the railways, of course, for what they are worth. That is something we cannot tell, but we will know by the accounting system what our combined debt will be, and we will have our railway debt on the one side and our consolidated debt on the other side. That would be an extremely simple way of placing the matter before the public. That would show exactly by dividing them as they should be divided,—and I think as they are correctly divided—our railway business entirely separate and apart from our ordinary business of government, which is an entirely different thing.

Mr. LADNER: Just on that point, would my hon. friend show the extent to which cash should be advanced to the railways each year, so that the comparison with respect to cash and guarantee could be made from year to year, or would he have all railway financing by guarantee?

Mr. MARLER: It does not make any difference in the least whether cash is advanced out of the consolidated fund or borrowed. In one case it is borrowed on our direct promise to pay, and in the other case it is borrowed on the promise of the railways to pay and that promise made marketable by reason of our guarantee. There is no difference whether it appears in the consolidated debt or the railway debt. One thing is the same as the other. But if my hon. friend wants more direct answer, I would say that I would very much prefer to see our railways finance themselves and borrow money for their requirements, with the possible exception of paying deficits out of the consolidated revenue, and let them borrow for any other requirements on their own account, with our guarantee of course. That would segregate them and keep them separate, and we would know where we stood each year.

Mr. LEWIS: The hon. member will admit that it is still the public debt of the Dominion?

Mr. MARLER: I am not denying it. There is not the slightest question that the railway indebtedness, whether guaranteed or not, is our debt. I do not think there is any way of getting away from it. We have the assets of the railways behind us. The point my hon. friend is suggesting is as to whether or not unguaranteed securities should be considered. I think guaranteed and unguaranteed securities are in the same category. They are all our debts, because we have standing after the securities a large amount of money, about $800,000,000, before which ranks our guaranteed securities and also other prior lien securities.

Mr. LEWIS: Would you add the deficit of the Canadian National Railways to the ordinary expenses of the country—not the guaranteed loans but the operating deficit and so on?

Mr. MARLER: I want to make this matter clear in the minds of hon. members. Now let us in the meantime forget all about railway accounts. It is not the operating deficits necessarily; it is cash paid out, and it may be paid out for anything at all. It may be operating deficit or refunding, or a number of things, but I think the idea I have suggested is to keep the account for the ordinary service of the country entirely separate, and any cash paid out of that account for the railways would be put on the other side of the account.

I wish to take up another matter. Around this debate has been centred a great deal the question as to whether these guarantees should be included in the net consolidated debt and that debt correspondingly increased each year, and a great many statements have been made—some extremely extravagant statements—as to the increase each year of the railway indebtedness. I am sorry my hon. friend from West York is not in his seat because I am sure he would discuss the matter with me in his usual courteous and kindly way. The hon. member said the railway indebtedness of the year had increased to the extent of $118,000,000. I do not want to accuse him of saying what he did not intend to say, but I have read his speech with a good deal of care, and I have tried to convince myself that he did not mean what appears in the report of his speech, because it seemed to me from reading his speech that he meant to say that during the fiscal year the railway indebtedness increased by $118,000,000, and he threw back at the Acting Minister of Finance the statement that he had said it had only increased by the bond issues by about $80,000,000. He asked where is the discrepancy and what is accountable for it?

Mr. EULER: He took that all back this morning in committee.

Mr. MARLER: Did he? In any event, I think the best thing to do is to put the correction on Hansard, and I do so in the most courteous way, because I think the hon. member for West York simply fell there into an unintentional error. This all arose out of a question which he asked on the 16th March last. He asked:

> What additions were made to the funded and unfunded debt of the Canadian National Railways and affiliated companies. . . . during the calendar year 1924?

The answer given by the Minister of Railways and Canals was as follows:

Mr. Graham:

To the debt to the public..	$ 90,814,026 00
To the debt to the government (including interest)..	28,085,159 35
Total..	$118,899,186 35

That answer, as given by the Minister of Railways and Canals, is correct in all respects. The error into which the hon. member for West York fell was this: He asked for the calendar year and not the fiscal year. The calendar year is the railway year. The fiscal year starts, as everybody knows, on the first April and terminates on the 31st March. Consequently, to get the increase in the railway fiscal year, you have to deduct entries prior to the first April and to add entries after the 31st December. That will give the increase in the railway debt. I have all these figures written out and if I may have permission, I will place them on Hansard so as to avoid reading a number of figures to hon. gentlemen. If we take the figures furnished by the Department of Railways and Canals, deduct the last bond issue of $50,000,000 which was emitted on the 1st February, 1924, not in the fiscal year 1925, and add the bonds issued after the 31st December, 1924, we shall arrive at precisely the same figure which the Acting Minister of Finance gives in his address. There is not one dollar of difference. It all balances exactly and correctly. With your permission, Sir, I will place this statement on Hansard so that the actual figures will be there in order to controvert this statement of the hon. member.

The entries to which I refer are as follows:

Total indebtedness as above quoted was..	$118,899,186	
Deduct debt to government in which is included part of the $18,027,000 charged in Financial statement for fiscal year 1925—the balance being interest charged but not paid..	28,085,159	
		$90,814,027
Balance being debt to public as stated in the answer. This is represented by the following bonds issued during the railway year 1924:		
5 per cent 30 year issued 1 Feby. 1924..	50,000,000	
4 per cent 3 year notes issued 1 July, 1924..	20,000,000	
4½ per cent 30 year bonds issued 15 Sept., 1924.. ..	26,000,000	
4½ per cent Equipment Trust H. issued 1 July, 1924.. ..	9,375,000	
Canadian Realties Co. Mortgages..	951,000	
Total..	106,326,000	
Less retirements during railway year 1924..	15,511,973	
Balance net increase in debt to public as per the answer		90,814,026

[Mr. Marler.]

To make this conform to the fiscal year 1925 the following is necessary:

Bonds and mortgages issued during railway year 1924 as above..		$106,326,000
Less issue of 1 February 1924 (being in fiscal year 1924)..	$50,000,000	
Less Canadian National Realties Mortgages..	951,000	
		50,951,000
Balance..		55,375,000
Add bonds issued after 31 December 1924:		
4½ per cent 10 year issued February 1925..	17,000,000	
4½ per cent 5 year issued February 1925..	18,000,000	
		35,000,000
Total..		90,375,000
Less refundings during fiscal year 1925..		24,007,533
Leaving net increase in railway indebtedness to the public for fiscal year 1925 of..		66,367,467

Mr. GRAHAM: Does the great difficulty not arise in attempting to take the figures of one year and apply them to the situation in another? It raises confusion, and in discussing railway accounting it is absolutely impossible to apply it to our fiscal year without misleading somebody.

Mr. MARLER: I thank the Minister of Railways and Canals for the information. He is absolutely correct in what he says. So difficult, indeed, is it to apply railway finances to our fiscal year without an enormous amount of study, I was almost intending to suggest that the fiscal year and the railway year be made exactly the same so that we would know where we stood. It is a great mistake, with a tremendous business expending tens and hundreds of millions of dollars per annum, not to know where the money is going without having to sit down for many a long night, week after week studying these matters in order to put them before the House intelligently. If the government would consider changing the railway year to correspond with the fiscal year, hon. members would be saved a great deal of time.

Mr. GRAHAM: We have to keep the calendar year.

Mr. MARLER: The Minister of Railways and Canals makes a suggestion which I hesitated to make, but which is a very good one. We have all our taxation periods ending on the 31st December now. Our income tax and sales tax comes up as of the 31st December. Practically all companies throughout the country are making their year the calendar year. To compare our statistics with company statistics, or to make any comparisons at all, is almost an impossibility.

If we had them all in the calendar year—railway year, fiscal year, company year, taxation year, that would save trouble to everybody and be far clearer.

Mr. CALDWELL: Would that not also make it possible for us to have the Auditor General's report more up to date than it is at the present time?

Mr. MARLER: I would be very glad to answer that question, but I cannot. I have not very much more to say and I come now to that part of my remarks which, perhaps, is surrounded with more difficulty than anything else. That is the allocation and reflection of the railway bond issues emitted every year on the net consolidated debt of this country. I have spoken about what the various budget speeches disclosed and did not disclose, and it is not necessary to labour that point any more at the present time. I have made it clear, I think, to all hon. members that as regards the hon. member for Shelburne and Queens (Mr. Fielding) and the present Acting Minister of Finance (Mr. Robb), whatever bonds were emitted were at least set out in the budget statement year after year. That is not the point in question. The point in question is this, as to how much of those bonds emitted year after year, have to be added, using that argument, to the net consolidated debt or, if you put it in another way, to the combined debt of the country. In other words, hon. gentlemen have complained that in a certain year we paid out a great deal of money in cash on account of the railways and we charged that in the net consolidated account. Consequently, the deficit was very large. Now, they say, you come along and say to us: We do not intend to pay out cash, but we intend to finance by way of bonds. Consequently your net deficit is very much less or you may have a surplus as the case may be. There is a good deal in that argument and it has to be fairly faced. The question of policy is one which does not make any difference one way or the other in the financial arrangements. Whether the railways are financed by way of cash or by way of bonds, it matters not, all the obligations of the railways are our debts and have to be taken into consideration in some way or another. If $20,000,000 is issued, guaranteed or unguaranteed, in any particular year, that is reflected in the debt of the country, perhaps not for bookkeeping purposes in the consolidated debt, but in the combined debt of the country. We owe that money and we have to pay it. Of course, as against it, we have the assets, if any, purchased by the funds or proceeds of those particular bonds. Therefore, in the last analysis it does not make any difference whether we pay cash or issue bonds, for practical purposes we have to take into consideration the net result which is obtained.

Mr. LADNER: Would it not be fair to the public of Canada if the budget had disclosed that very phase of the question to which the hon. member refers That is the point I raised a moment ago, about the $10,000,000 cash advance last year and $97,000,000 in 1922. The public cannot understand it.

Mr. MARLER: My hon. friend does not get the point at all. It does not make the slightest bit of difference how the thing is financed. The budget speech could not disclose this aspect in any possible way. The budget year is entirely different from the railway year, and it is utterly impossible for the Minister of Finance to put in his budget speech the railway speech. They are two entirely different things. My hon. friend does not grasp the significance of the situation.

Mr. LADNER: The hon. gentleman likes to carry a superior demeanour in this House.

Mr. MARLER: Not at all.

Mr. LADNER: I do not propose to accept it even though I am a back-bencher. What I wish to ask the hon. gentleman is this: Would it be too much trouble for the Acting Minister of Finance, in a word or two, to have noted the fact that the cash advance this year is small compared with those of other years, so that the public would know that, although the obligation was still there, it was in a different form? It is not very much, but it is important.

Mr. MARLER: I do not think it would have caused the Acting Minister of Finance the slightest pain to say that. As a matter of fact he said it in so many words; he said, "I have advanced the railways $18,077,000 and I have issued bonds to such and such an extent of which $17,000,000 has been used for refunding purposes." It is all there. But what information does that give to the public, my hon. friend asks. The public will not sit down and study the public accounts; they cannot be expected to. That is the point I make with the government to-day, and I say that if we have a statement such as I have described we shall know exactly where we stand. But the government is not trying in the slightest degree to conceal what has been done from year to year; it says frankly, "This year $18,000,000 has been spent in cash and there has been so much

in bonds, and last year there was so much in cash and we issued so many bonds." That is all perfectly clear to my hon. friend, I hope.

Mr. EULER: I hesitate to interrupt, but it is on a point on which there seems to be considerable confusion and difference of opinion as well. I grant at once that when the government guarantees bonds or makes advances in cash to the National railways the debt is increased; there can be no doubt about that. But if that guarantee of bonds or advance in cash to the extent of twenty, thirty or fifty millions is used for capital expenditures, for which there is an asset in the railways, will the hon. member say, as hon. gentlemen opposite contend, that this has a direct influence on the deficit? It adds to the debt, but does it increase the deficit? I say not.

Mr. MARLER: It is not an easy question to answer. I say that it does increase the deficit. The sum of $25,000,000, let us say, is advanced in cash and $25,000,000 in assets acquired, and my hon. friend says that whereas on one side of the ledger you have a debit and on the other side a credit, the one offsets the other and there is a wash-out and consequently no increase. That would be quite correct if that asset were active. But it is not an active asset.

Mr. EULER: Why is it not?

Mr. MARLER: How can my hon. friend say that $50,000,000 which we have advanced this year is good, and $50,000,000 which was advanced so many years back is bad? We have $800,000,000 advanced to the railways and that $800,000,000 is good or it is bad. But my hon. friend cannot say that because $25,000,000, which is advanced this year is used for a particular extension, he will therefore chop that off and consider it as good and say consequently that there is a corresponding credit entry.

Mr. EULER: When an ordinary business, such as a manufacturing concern, makes an increase in its plant and equipment, will the hon. gentleman say that the management regard that increase as a loss? Because a deficit is a loss in the strict interpretation of the word. If you increase your assets you do not incur a loss; you increase your liabilities, it is true, but you have a corresponding asset. If you build a branch line you incur a debt but you have an asset against that debt.

[Mr. Marler.]

Mr. MARLER: You have nothing at all except an inactive asset. If a business concern adds to its assets it does so only in the hope that the addition will earn money.

Mr. EULER: And that is what the railways are doing.

Mr. MARLER: I know that my hon. friend, who favours public ownership, is extremely hard to convince.

Mr. EULER: That is the difficulty with you; you are opposed to it.

Mr. MARLER: I am not opposed to it at all, but I want to see the expenditures of the country lessened and I want to face the situation quite honestly.

Mr. EULER: So do I.

Mr. MARLER: I am sure my hon. friend wants to do that.

Mr. MEIGHEN: Will the hon. member permit me?

Mr. MARLER: In a moment. What I say is that the assets of the railways must be considered as non-active assets in our combined debt until it is shown just what they are worth. The assets are there and we do not know what their value is, and we must treat them in the consolidated debt as inactive.

Mr. EULER: If the hon. member says that the $800,000,000 consists of inactive assets, he will see that some of that may be a loss; perhaps the whole of it might be a loss. But why segregate any portion of it? On the basis of that argument you might destroy the whole investment of the railways.

Mr. MARLER: I am not segregating anything, but the hon. member is; he is segregating a particular expenditure. The hon. member says that if you build a branch line for $25,000,000 that particular branch line is an asset. I say, let us take the whole thing together.

Mr. EULER: What is the purpose of building a branch line if it is not an asset?

Mr. MARLER: The hon. member wants me to say, as I am ready to say if it will be any solace to him, that the building of a branch line will add something to the dead asset behind it. But I say that we should treat the whole of the railways as a dead asset until it becomes a paying concern. There is no doubt about that.

Mr. MEIGHEN: Is it not a fact that in all budget presentations for some years back the deficit, as finally disclosed, has meant a deficit over capital as well as over ordinary expenditure, and therefore an increase in the debt?

Mr. MARLER: Is my right hon. friend speaking about deficits in the consolidated fund?

Mr. MEIGHEN: No. But is it not a fact that, as finally disclosed in all budget presentations for some years back, for at least seven years, the deficit has always represented the deficit over capital as well as over ordinary expenditure, and therefore has been a real increase in the debt? The hon. member will find that this was the case in 1923, in 1922, in 1921 and 1920.

Mr. MARLER: My right hon. friend is mistaken. There is no deficit whatsoever declared in either Sir Thomas White's budget speech or the two budget speeches of the hon. member for West York.

Mr. MEIGHEN: My hon. friend misunderstood me.

Mr. MARLER: Will my right hon. friend be patient a moment? The accounts were not finally completed at all, and the fault which my right hon. friend and those around him find is that in 1923 the Minister of Finance (Mr. Fielding) showed a deficit of $31,000,000, whereas, they say, in the present budget speech the same method is not followed. But I am pointing out now that neither in Sir Thomas White's budget speech nor in those of the hon. member for West York was the method adopted in any way different from the present method.

Mr. MEIGHEN: The hon. member misunderstands me, as I know he will see in a moment. This year the acting minister has a claimed surplus of $1,800,000.

Mr. MARLER: Not at all.

Mr. MEIGHEN: I used the word "claimed," and I should be as indignant as the hon. member if that adjective were not used in connection with the present surplus. He will see that in the budget speech that surplus is claimed.

Mr. MARLER: My right hon. friend has been reading a book while I have been speaking, and that is why he does not understand the point.

Mr. MEIGHEN: Well, I can read a little and still catch up. A surplus of $1,800,000 is claimed over capital as well as over ordinary expenditure. Is it not also a fact, I ask, that the $35,000,000 of a surplus claimed last year was over capital as well as over ordinary expenditure? And it is equally true that the $31,000,000 of an admitted deficit of the year before took into account capital as well as ordinary expenditures over the revenue. It is true of all three years; in fact, this feature is common to all budget speeches for seven years back.

Mr. MARLER: Not at all.

Mr. MEIGHEN: Will the hon. member admit that it is true of the last three?

Mr. MARLER: No, I will not admit that.

Mr. MEIGHEN: The hon. member is wrong.

Mr. MARLER: I am not wrong, I am taking the budget speech as it is written.

Mr. MEIGHEN: Let the hon. member ask the Minister of Finance and he will see.

Mr. MARLER: This year no surplus is claimed over all expenditures; it is on ordinary account only. And in precisely the same way as was the surplus claimed in the two speeches of the hon. member for West York and in Sir Thomas White's speech; there is no difference. I thought I explained this to the right hon. gentleman an hour and a half ago.

Mr. MEIGHEN: Let the hon. gentleman ask the Minister of Railways and he will find that I am right.

Mr. MARLER: I will not ask the Minister of Railways anything.

Mr. MEIGHEN: Why does the hon. member not try to be right? He is wrong.

Mr. MARLER: I beg your pardon, I am not wrong. The surplus of $1,800,000 this year is figured out in precisely the same way as was the so-called surplus in the speeches of Sir Thomas White and the hon. member for West York. There is no difference at all.

Mr. MANION: May I ask the hon. member a question? What does he think of the $4,000,000 of arrears of interest added as an extra surplus? He has not dealt with that yet.

Mr. MARLER: Certainly, I did not intend to speak on that because there is a precedent—exactly the same thing was done under the regime of my right hon. friend. The question of amount is neither here nor there. In 1920 an asset called the Southern Alberta Land Company was written down as non-

active, in the following year it was written up as active.

Mr. MEIGHEN: But—

Mr. MARLER: Let my right hon. friend be patient. I have the floor at the present time. It may be extremely unpleasant for him to hear these things, but I cannot help that. I repeat, it is not a question of amount at all. It is precisely on all fours with what the member for West York did in 1920. I am not discussing whether the $4,000,000 is there or not; that is a question for the Department of Finance to concern itself with. As in any business, we have to take a valuation based on what the officers of the department say. If they value the asset at so much, and say the value is there, I for one would take their word. But I am talking of the principle involved. I did not mention it before because I did not want to hurt the feelings of my right hon. friend. I repeat, precisely the same thing was done in the case of the Southern Alberta Land Company, and if he looks at the accounts for 1920 he will find that the member for West York wrote that asset down and the next year he wrote the same asset up. The company is now insolvent or next door to it.

Mr. MANION: Does the Acting Minister of Finance in this statement not distinctly say that the $4,000,000 is available for meeting these other cash payments that he made?

Mr. MARLER: Not at all.

Mr. MANION: He does. I can quote his words.

Mr. MARLER: The Acting Minister of Finance does nothing of the kind.

Mr. MANION: I can quote his words.

Mr. MARLER: How can he do anything of the kind? He brings down a surplus of $1,823,000, and he says that we have advanced the railways $19,000,000. He is applying the amount of the increased asset against that. He simply deducts the $4,000,000 odd from the net debt, he does not speak of it as cash at all. It is a perfectly proper book-keeping entry in all respects. It has been done before, every year you will find the active assets written up. I will give my hon. friend a few examples. In 1921 there was written up $315,655, in 1922, $138,847, and in 1923, a small amount. These sums I admit are not as large but the principle is the same. But Mr. Speaker, I have almost forgotten what I was going to speak of next. And nearly everybody else has forgotten, I expect.

[Mr. Marler.]

Mr. MANION: My hon. friend said that the Acting Minister of Finance did not claim that the $4,000,000 was available. Would he mind my reading the words of the Acting Minister of Finance?

Mr. MARLER: Yes, if he will read the whole of the account.

Mr. MANION: I will read the paragraph. I may possibly be wrong, but I think not. The Acting Minister of Finance said:

To this must be added the sum of $4,000,162 previously referred to, making a total of $5,823,162 as a reduction in dealing with our net debt, on account of government services proper.

This is the part I direct particular attention to:

This amount is available to be applied on account of our loans to the Canadian National Railways of $18,027,000—

And so on. How is it available?

Mr. MARLER: Go ahead, read further.

Mr. MANION: All right.

—to Canadian Government Merchant Marine of $900,000; and to the Quebec Harbour Commission of $600,000, all of which, while being assets, but for the present considered as non-active, are to be added, thereby making an increase of debt during the year of about $13,703,838.

Mr. MARLER: Certainly.

Mr. MANION: He says the amount is "available." Where is the $4,000,000 arrears of interest available? "Available" in Greece and Roumania perhaps.

Mr. MARLER: The Acting Minister of Finance never suggested directly or indirectly that he had $4,000,000 cash paid in.

Mr. MANION: How could it be available otherwise?

Mr. MARLER: Does not my hon. friend understand book-keeping entries? There was a similar instance in connection with the Southern Alberta Land Company.

Mr. MEIGHEN: It was not added to the surplus.

Mr. MARLER: It was deducted from the deficit.

Mr. MEIGHEN: It was taken into the debt account but not into the surplus account.

Mr. MARLER: My right hon. friend is quite mistaken. It was taken into the debt account in 1920 and written up in 1921. There is no question whatsoever about it.

Mr. MEIGHEN: That is different from the surplus.

Mr. MARLER: My right hon. friend will not see the point; of course it is very unfortunate and a very unpleasant point for him to see.

Mr. EULER: I apologize for interrupting my hon. friend, but may I put to him one more question? I think I understood him to say that because of the fact that the railways at the present time are losing money, moneys on capital expenditure, or guarantees for that purpose, must be considered as part of the deficit. If I am correct in my understanding, I should like to ask him this question: If the railways should suddenly become profitable, would he then do the reverse thing and take all these cumulative capital expenditures, which might run into $100,000,000, and credit that one year with a surplus of that amount?

5 p.m.

Mr. MARLER: By all means; that is the very point in question.

Mr. EULER: It is quite absurd.

Mr. MARLER: Not at all, it is an ordinary business transaction. If you have an asset dead you call it dead; but if it starts to earn money you write it up.

Mr. EULER: Would you say that if you have a manufacturing business, for example, worth $100,000, and it does not pay one year, that it is worth nothing, and if the next year it begins to pay that then you have $100,000 surplus? It is the same thing exactly.

Mr. MARLER: My hon. friend takes an extreme point when he gets on this particular question.

Mr. EULER: I am afraid it is mutual.

Mr. GRAHAM: Governments do not take stock of their assets; private concerns do.

Mr. MARLER: Mr. Speaker, the question I was discussing a few moments ago was this; as to whether the bond issues emitted on account of the railways should be added to the net consolidated debt each year or not. I debated that point at some little length. I showed that the disclosures had been made in the various speeches of the Acting Minister of Finance and his predecessors in office. Now, the whole question is this: They were not mentioned in previous speeches, they were not mentioned in the speeches of the member for West York at all, but my right hon. friend who leads the opposition takes this stand—and I admit there is a great deal in it—that you do not need to add these bonds so emitted to your debt at all, providing they are all for refunding, or if only part is for refunding and the balance not so used for refunding is paid out of the consolidated fund, then again you do not need to add it to the national debt. Let me give the House a concrete example of that, because it is a somewhat complicated calculation. The position taken by my right hon. friend is this: If in any given year we have guaranteed bonds, say $20,000,000, issued on account of the railways, if that $20,000,000 is all used for refunding, then there is no increase in the national debt, it is simply a cross entry. If $10,000,000 is used for refunding, the other $10,000,000 need not be added to the national debt, provided it is taken out of the consolidated fund and cash advances used for refunding purposes. That is all quite clear. But following out his argument, it would be this: If all that $20,000,000 was not used for refunding, or if there was an insufficient amount to make up the difference between the two, then that would have to be charged to the national debt. I think I have made that position perfectly clear as I understand my right hon. friend.

Mr. MEIGHEN: I think so.

Mr. MARLER: Now we have to get down to a final analysis of this matter. We have to see how these bond issues are reflected in the combined debt, as I call it, of the country in any given year, or in the consolidated net debt. In other words, how in any given year has the debt increased? Before doing that I want to say that the principle enunciated by my right hon. friend has never been carried out. It was not carried out by his government, absolutely not.

Mr. MEIGHEN: I think it was.

Mr. MARLER: I am sorry to contradict my right hon. friend. I have taken the figures with great care, I have had them compared by the Railway department, and they went to the Finance department and were there checked, and the amount in bond issues that my right hon. friend put out, less the refunding balance, was never added to the net consolidated debt.

Mr. MEIGHEN: There was no balance.

Mr. MARLER: My right hon. friend is quite wrong. I am giving him the figures absolutely.

Mr. MEIGHEN: I got them from the Railway department too.

Mr. MARLER: More than that, if my hon. friend so desires, after this sitting is over I will send him the schedules of account.

In other words, I want to be perfectly open with my hon. friend, because in accordance with his argument, in the year 1920 bonds were issued for railway purposes to the extent of $42,109,026.

Mr. MEIGHEN: Subdivide it. There was $50,000,000, $25,000,000, $25,000,000 and another $11,000,000.

Mr. MARLER: Does my hon. friend want them subdivided?

Mr. MEIGHEN: Yes.

Mr. MARLER: I will subdivide them for my hon. friend if he desires that, but I do not see any particular reason for doing so; it will only cloud the issue. I think we had better leave it at the whole amount, as it will be easier for hon. members to understand; I will subdivide it if my hon. friend desires that. But that was the actual amount issued in the year 1920, $42,109,026.

Mr. MEIGHEN: I think there was more than that.

Mr. MARLER: I am not taking into consideration the Grand Trunk acquisition bonds, because they were paid really for acquisition purposes. I am taking the emission of bonds as they are ordinarily issued at the present time, so as to make a perfectly fair comparison.

Mr. MEIGHEN: I think there was more than that.

Mr. MARLER: I do not think so. I think that was the full amount. It balances out, and the figures have been checked by the two departments, and they have found them correct. Therefore, according to my right hon. friend's reasoning, if that is not to be included in the public debt it would have to be used for refunding, or the part of it not used for refunding would have to be paid out of consolidated fund in cash.

Mr. MEIGHEN: This is what I contended before and would again, not exactly as the hon. member says: That any excess of guarantee over the total amount of reduction of funded debt, whether the funded debt was reduced out of the proceeds of the guarantee or otherwise, as long as there was any excess guarantee over the amount of reduction of funded debt, however attained, that is the real addition to the national debt.

Mr. MARLER: I take issue with my right hon. friend in his use of the word guarantee. Time and again he has used the words "all bonds issued". I am taking into consideration every bond issued for railway purposes whether guaranteed or not.

Mr. MEIGHEN: I did not.

Mr. MARLER: My hon. friend has done so time and again.

Mr. MEIGHEN: But not for the purpose of—

Mr. MARLER: I am doing it for this very purpose, in order to be absolutely fair to my hon. friend and to this side of the House also. I am taking all the bonds in. Why not?

Mr. MEIGHEN: It is a different comparison.

Mr. MARLER: It is not different at all. What is the objection to doing so? They are all our debts.

Mr. MEIGHEN: In a sense, yes.

Mr. MARLER: Whether guaranteed or not guaranteed, they are all our debts, so why not take all the bonds into consideration, then deduct refunding and see what the balance is, and whether that balance has been paid out of consolidated fund or not.

Mr. MEIGHEN: The hon. gentleman—

Mr. MARLER: Perhaps I should continue my argument.

Mr. MEIGHEN: The hon. gentleman should not invite questions and then get cross with me if I put them.

Mr. MARLER: I am not cross. I have never been in a better temper in my life. The only thing about my hon. friend is that he always attributes his own demeanour to everybody else.

Mr. MEIGHEN: The hon. gentleman invites interruptions, but he does not take them well.

Mr. MARLER: I have had nothing but interruptions, and the afternoon will be gone in a few moments if we do not hurry up.

In 1920 bonds were issued for railway purposes to the amount of $42,109,026, and from the proceeds there was used for refunding, $17,109,026, leaving a balance not used for refunding of $25,000,000. Now in accordance with the argument of my right hon. friend that $25,000,000 should have been paid out of the cash charged into the consolidated debt and used for refunding purposes. As a matter of fact, not $25,000,000 was taken from consolidated fund for refunding, but $6,114,237, leaving a balance from the bond issues not used

for refunding of $18,885,763, which in accordance with the reasoning of my right hon. friend should have been added to the deficit of that year, but it was not added.

Mr. MEIGHEN: The hon. gentleman has missed my point.

Mr. MARLER: I do not see how it is possible to have missed it. My right hon. friend has missed my point; I think he has deliberately missed it.

Mr. MEIGHEN: I see your point exactly, but if you will not let me explain, go ahead.

Mr. MARLER: My hon. friend can reply to this when he speaks in the debate. The whole debate from that side of the House has centred around this very point. I have spoken to this point, and my right hon. friend can make an explanation in his speech on the budget if he thinks it worth while. In the meantime, if he so desires, I will furnish him with my figures so that he can study them out for himself. I am satisfied that my figures are right, and that the assertion that has been frequently made from that side of the House that we should add all our guarantees to the consolidated debt is a practice that was not followed in past years. The assertion has been made, not once but time and again, that everything not used for refunding had been added to the national debt. That is not the case at all. It has never taken place. It has never been done in any budget statement at all in this country.

If we take the year 1921, precisely the same thing happened. Bonds were issued that year to the extent of $77,000,000. There was used for refunding $48,943,961, leaving a balance not used for refunding of $28,056,039. Again that amount of $28,056,039 should have been paid out of the cash charged into the consolidated debt for refunding purposes, according to the reasoning of hon. gentlemen opposite. But there was no $28,000,000 paid out that year, but only $7,438,664, leaving $20,617,375 which, according to my hon. friend's reasoning, should have been added to the deficit of that year; but it was not added. Now the point I want to make is this and I come back to the point I have made before, that the financial statement as submitted by the Acting Minister of Finance is made up in exactly and precisely the same form as previous statements, not only in form but also in substance, and the guaranteed bond issues—do not misunderstand me; I am not saying they should not be added to the debt, but they never have been added so far in estimating the surplus or the deficit. That is the position. I think what we want to get down to in the last analysis, in reply to my hon. friend from Brandon (Mr. Forke), and it is a question that has taken a considerable amount of consideration to figure out perfectly correctly, is this: What is the amount by which we have increased our combined debt, that is our net consolidated and our railway debt, during certain periods by way of expenditure? I think that is the point my hon. friend wants to get at. To get at that you have to take the consolidated debt expenditure, and you have to take the railway bond issues, less refunding from proceeds of bonds, and less refunding from cash on consolidated account. Now this is the situation, and I am comparing it with such three-year periods taken exactly along the same lines. I am charging against each period all the bonds issued, guaranteed, or unguaranteed, giving credit for all the refundings taken from bonds or taken from cash, and this is the result for the two three-year periods:

1st period—fiscal years ending 31st March, 1920, 1921 and 1922		
Increase in net consolidated debt owing to expenditures other than demobilization and after allowing for increase by reason of transfer of active assets to non-active list..	$ 256,884,485	
Increase in railway indebtedness to the public during same period after allowing for all refunding operations.	50,884,485	
Total increase net consolidated and railway..		$ 307,124,600

That is taking and using exactly, specifically, word for word the argument which was used on the other side of the House as regards this railway expenditure. Then I take the next period which I have made up in exactly the same way without deviating a single hair's breadth from the manner in which the previous statement was made up. That is to say for the three-year period ending 31st March, 1925—and I may say incidentally that I have looked at this matter from an accountant's standpoint, from the viewpoint of the man interested in public affairs so as to place the truth before this country and this House—comparing the expenditure which has taken place in the last three years with the actual expenditure in the three previous years this is what I find:

Increase in net consolidated debt owing to expenditure other than demobilization.. ..	$ 3,060,740
Increase in railway indebtedness for the same period..	102,122,196
Increase, net consolidated and railway.. ..	105,182,936

Or $201,931,664 less than the previous three-year period. Now there is a fair and honest statement which can go before the country, a statement showing every question taken up, a statement showing all the ordinary expenditure, all the railway expenditure, made up on exactly and precisely the same lines as hon. gentlemen opposite themselves have made it without the slightest deviation; and it shows identically and absolutely an excess in expenditure for the three years under the administration of hon. gentlemen opposite of $201,000,000 over our expenditure for a like three-year period.

Now, Mr. Speaker, I am sorry to be speaking at such length—

Some hon. MEMBERS: Go on.

Mr. MARLER: While I am on the question of the railway may I say one word regarding it. I also have a table here giving the increase in the combined debt of the country which with the permission of the House I will place on Hansard so that hon. gentlemen may read it. The statement is as follows:

First period, fiscal years ending 31 March, 1920, 1921 and 1922		
Increase as follows—in net consolidated debt		
Demobilization expenditure..	$ 363,249,099	
Transfer of assets from active to non-active list (nearly entirely advances to railways previously made in cash and before 1920 treated as active investments).. ..	228,115,555	
Expenditures other than demobilization..	256,240,115	
Total increase in net consolidated..	847,604,769	
Increase in railway indebtedness to the public over same period..	50,884,485	
Total increase in period in "combined debt"..	898,489,254	$ 898,489,254
Second period fiscal years ending 31 March, 1923, 1924, and 1925.		
Increases as follows in net consolidated debt		
Demobilization expenditure..	5,385,842	
Transfer of assets from active to non-active list.. ..	904,730	
Expenditure other than demobilization..	3,060,740	
Total increase in net consilidated..	9,351,312	
Increase in railway indebtedness to public..	102,132,196	
Total increase in period in "combined debt"..	111,473,508	111,473,508
Total increase in six year period in "combined debt".		$1,009,962,762

As regards the railways I am sorry in any way to hurt the feelings of my hon. friend from Waterloo (Mr. Euler)—

Mr. EULER: Have no fear.

Mr. MARLER: —and others who support public ownership. I hope that my hon. friend from Laprairie and Napierville (Mr. Lanctot) will approve of what I am going to say.

Mr. LANCTOT: I am quite satisfied.

Mr. MARLER: I want hon. gentlemen here, and I want the country, to understand if I can the enormous amount of new money placed each year in the railways. It is not a fair proposition when we reach the railway accounts or reach the budget accounts that we should take two accounts and say that adding these two together there has been a vast sum of money spent because the refundings have not been taken into consideration. The actual effect of refundings is an extremely difficult thing to get at, so difficult that very few will even venture upon the computation. The figures which I am giving represent the new money, taking into consideration everything, but not the interest due to the government, spent upon the railways for the six years in question:

Year	Expenditure in new money
1920..	$106,823,987
1921..	144,237,643
1922..	105,658,469
1923..	59,683,705
1924..	85,050,703
1925..	84,394,467
Total..	$585,848,974

I do not know what hon. gentlemen think of expenditures to that extent. I do not know how long they think the country can keep up an expenditure on our railways of something averaging almost $100,000,000 per year. It seems to me that we cannot stand that pace very long.

Mr. EULER: Will the hon. gentleman permit me—

Mr. MARLER: Just one moment if you please. It seems to me we cannot stand that pace very long. What I want to make quite clear to hon. gentlemen in this House is this—and I speak not for all but for a certain part of the city of Montreal—that city does not want new expenditures made there on railways. No matter how uncomfortable they are at present, they would much rather put up with the discomfort than have vast amounts of money spent in terminals or anything else in that city. I want to make that perfectly clear to the government, if I

can do so in that respect, with all due consideration. My hon. friend from North Waterloo wanted to ask a question.

Mr. EULER: My question was this: Does the hon. member not consider it fair to take into consideration the fact that when the roads were taken over by the government they were in a deplorable condition; they had not sufficient rolling-stock, they were not properly equipped to do business as a railway system. But now they are so equipped you may expect in the future not to have any of the great capital expenditures that you have had in the last four or five years?

Some hon. MEMBERS: Hear, hear.

Mr. MARLER: The public ownership of railways is evidently received with great favour in this House. If we spend $100,000,000 a year for the National railways we are going to find ourselves railroaded out of existence. In 1920 we spent $106,000,000, in 1921, $144,000,000, and in 1922, $105,000,000. Would not my hon. friend from North Waterloo imagine that after all these expenditures the National railways ought to be in proper shape, if they are ever going to get into that condition at all?

Mr. EULER: Will the hon. member answer my question?

Mr. MARLER: The hon. gentleman asked me if it is likely these expenditures will go on. They have gone on; I have given proof of them. In 1924 we spent $85,000,000 and in 1925 we spent $84,000,000.

Mr. EULER: We have heard that before.

Mr. MARLER: We really cannot go on spending money like water on our railways.

Mr. FORKE: May I ask a question?

Mr. MACLEAN (York): Would the hon. gentleman allow me—

Mr. LANCTOT: One at a time please.

Mr. FORKE: I wonder if those people in Montreal, would be of opinion that not another dollar should be spent on railway building if they lived twenty miles from a railroad?

Mr. MARLER: My hon. friend is quite mistaken with respect to our attitude as regards railway expenditure. We are not complaining of the expenditure made to help people out in the west.

Mr. FORKE: I thought you meant all capital expenditure.

Mr. MARLER: No, that is not the idea at all. What we complain of is the palatial trains, the number of trains running between Montreal and Toronto, between Montreal and Ottawa, and between Montreal and Quebec. We complain of the installation of radio systems at Ottawa, Moncton, and Victoria—all such expenditures as that. Unless we economize in the expenditure on our railways, and on everything else, we cannot reduce the taxation.

Mr. FORKE: I agree.

Mr. MARLER: We realize that the west must have railway accommodation.

Mr. CANNON: Would my hon. friend cut out the Canadian National trains or the Canadian Pacific trains?

Mr. MARLER: The Montreal people want to cut out trains equally on both lines.

Mr. CANNON: And leave the Canadian Pacific in possession of the field.

Mr. MARLER: Not at all. Let me tell my hon. friend that if we had the Shaughnessy plan the country would be better off to-day.

Mr. CANNON: Not at all.

Mr. MARLER: Yes, much better.

Mr. MACLEAN (York): May I ask a question now. I read in a local paper that Sir Henry Thornton, in reply to a question, declared that the suggestion that the deficit on the National railways was due to public ownership was nonsense. My hon. friend (Mr. Marler) who made a very good statement here this afternoon is trying to blame the condition of affairs on public ownership and not on the real conditions.

Mr. MARLER: I do not desire to-day to weary the House any longer by entering into a controversy about the railways. I intend to discuss the railway situation when we come to the consideration of railway estimates. I merely took the opportunity of pointing out to this House and placing on Hansard a statement of the amount of money which we have spent, which is directly connected with the financial affairs of this country and comes under the scope of the remarks I have made to-day. That is, the amount of new money we have placed in railways year by year, and if my hon. friend from South York and my hon. friend from North Waterloo can get any comfort out of it, they are welcome to all the comfort imaginable, because I can get none.

Mr. MACLEAN (York): And we are taking it.

Mr. MARLER: My hon. friend can take all the comfort he likes out of it. I do not get any comfort out of it, because the 30th April is coming along and my income tax will go into the railway deficit.

Even taking into consideration railway expenditure, we have to take into account to some extent other expenditure also and we have to try if we can,—and I think we can—to practise the virtue indicated by that hated word "economy",—hated by every politician from one end of the country to the other—and if possible to do without luxuries, so that taxation can be reduced, because that is after all the only way we can reduce it.

In my remarks to-day I have attempted to give a clear exposition of the financial position in reference to the statement submitted by the Acting Minister of Finance, and to controvert statements from another quarter of the House by members who have been ministers of the crown, and which I think they should not have made.

Mr. A. E. ROSS (Kingston): I am sure that hon. members of this House and the ordinary people of the country will be delighted with the clear exposition of the financial statement as set forth in the budget. If I were to describe this, I would say that we have to-day listened to a second budget speech. That has not been unusual since this government has come into power. We have had on nearly every occasion two or three budget speeches. The hon. member for St. Lawrence-St. George (Mr. Marler) started out this afternoon to make the situation perfectly clear, and he ended up with as much criticism of the statement of the Acting Minister of Finance as ever came from this side of the House. Now, Sir, if we ordinary people have been delighted this afternoon with the differences of opinion as expressed by these giants of finance, principally on the other side of the House, I am in greater confusion that I ever was as to the situation. Two simple questions were submitted to the hon. member to-day, neither one of which he answered. But we had all the assurances in the world that these questions would be answered. One was a simple question, what is the actual deficit to-day—the actual deficit or surplus whichever you like to call it? That question has not been answered. It may be that my poor mental capacity has not been able to grasp it, but I would be very much surprised if any hon. gentleman in this House has been able to say from the speech of the hon. member for St. Lawrence-St. George what it really is.

Mr. MARLER: I gave that deficit for the three-year period.

Mr. ROSS (Kingston): What was the answer?

Mr. BOYS: What was the answer? I was not here and would like to get it.

Mr. MARLER: I think my hon. friend had better proceed with his speech. The answer is in Hansard.

Mr. ROSS (Kingston): I am willing to have it answered now.

Mr. MARLER: I gave my hon. friend the figures for the three-year period. The increase in the debt for the three-year period was a hundred and five million some odd thousand.

Mr. BOYS: That is not the question.

Mr. ROSS (Kingston): Permit me to say that each time the hon. member speaks he makes confusion worse confounded. We ask him for the deficit of this year, a very simple question. Now he is giving it to us in three-year periods. In other words any hon. member who wishes to know the financial position of the country must take the budget back for years. Why should he stop at three years, four years or five? Why not go back to ten? This is the position in which we ordinary members are placed to-day. We cannot get the deficit for this year. Unfortunately my hon. friend has left the chamber, and I will ask him on some other occasion what the deficit or surplus, whatever he calls it really is, and I will reserve further remarks on this particular point until he is in the chamber.

The budget debate, despised as it is in the press and in the country, brings to us a flood of valuable information from different parts of Canada which we appreciate and which we derive not so much from listening to the speeches as from reading in Hansard the opinions of the different members of the House. It has a peculiar influence on some members. In the case of some members it produces a spirit of prophecy. This mantle was thrown over the shoulders of the hon. member for Victoria, Ont. (Mr. Thurston) the other night. Under the influence of this debate he predicted the absolute dissolution of the party in this section of the House known as the Conservative party. According to his prediction in twenty-five years this party was to

be absolutely dissolved. I do not know his reason for such a prediction, but it looks to me more like the whistling of a boy going through the woods, or some dark place, to keep up his courage, or perhaps a funeral had just passed by a short time before and he had to make a noise to divert his thoughts. The hon. member for Victoria had heard of a funeral which had passed some time before. That funeral was the passing of a party to which he claims allegiance in Ontario, known as the Farmers' party. The funeral was a big surprise and occurred in spite of predictions which had been made in regard to the party concerned. In 1920 that party in the Ontario legislature numbered some 45 members, and the Conservative party numbered 25. Predictions were very plentiful in the legislature,—and I heard them at the time, being a member of the legislature,—that the old political parties had now come to the point where they were going to be dissolved and disappear. But unfortunately for those predictions, when the local election of 1923 came about, the party making those predictions was reduced to a baker's dozen, whereas the Conservative party now numbers some seventy-seven members. The hon. gentleman was likely whistling to keep up his courage, because he had, I suppose, looked up the figures in regard to his constituency. For the legislature that constituency is divided into north and south ridings and I would like to show the dissolution which took place after the election of 1923. In 1920 in North Victoria the Rev. Edgar Watson, Progressive member, received 3,348 votes; Robert Mercer Mason, Conservative, 2,430 votes, a majority for the former of 918. In 1923 the Rev. Edgar Watson received 2,353 votes and James Raglan Mark, Conservative, 2,711 votes, or a majority changed over in these two elections in favour of the Conservatives of some 1,270 votes. If we look at the southern part of his constituency, we find that in 1920 Fred George Sandy received 2,542 votes. John W. Wood, Conservative, received 1,103 votes, or a Progressive majority of 1,349. In 1923 Robert J. Patterson, Conservative polled 3,880 votes, Frederick G. Sandy, 3,354 votes and L. V. O'Connor, Liberal, 1,865 votes, leaving a Conservative majority of 526. This was the way in which the Conservative party dissolved, died, disappeared, following predictions such as we have heard here by local members in the legislature. The Conservative party will enjoy a dissolution of that kind, and if the predictions and prophecies continue and produce the same results, we have no complaint with regard to the future.

The budget debate in addition produces some gymnasts. In the last three years we have been amused at the speed with which some members of this House can jump from one part of the House to the other according as the budget pleases them. It has also produced courage in some members. The leader of the party to the left (Mr. Forke) has become very courageous this year. In fact, he says that he has now nailed his colours to the mast. Unfortunately, we who have watched the different budget debates are amused by this great display of courage. One has only to read the statements made by the hon. gentleman in the past, and there are a number to which I would like to draw the attention of hon. members and ask where these colours will be hoisted. It looks to me as though he was sailing in a vessel in which he could change the colours quite often. In fact, it is very often a vessel with a camouflaged colour, so that one does not know what kind of a vessel it really is. He said:

> As regards reduction of taxation we are ready to say amen to it. We will not in any way quarrel with the carrying out of such reductions. Now we are patiently waiting to see what they have done to cut down the expenses of carrying on the business of the country.

Having nailed his colours there, he immediately proceeded to support the government which put upon the people of this country an increase of 100 per cent in the sales tax. Again, speaking of the growing cost of government, he said:

> The country demands economy, but I do hope that the economy effected will be a wise economy.

Having hoisted the colours again, he immediately proceeded to support the government in an increase in the cost of civil government of $265,000, an increase in the Immigration department of this country of $680,000, an increase in the Public Works capital expenditure of $1,100,000. Again he nailed his colours to the mast in saying:

> We expected the estimates would be cut down very considerably.

And again:

> I think it is a mistake that so many supplementary estimates should be brought down in the dying days of the session.

On each of those occasions the hon. member voted for the government on the very policy for which he condemned them. Therefore, this year when he announces that he has nailed his colours to the mast, we are patiently waiting to see how soon this colour

will be taken down and transferred to some other part.

Coming to the financial report as submitted by the minister, like many members of this House, I have for weeks and weeks studied this report in order to get some idea where we stand. I do not wish to go any further than to get an idea of our actual condition year by year. It is not a matter of importance to me what they did ten, twenty, or even six years ago. It is of great importance if we can understand what we, as members, are doing in this House from year to year. It is important if we can grasp just the ordinary figures as given to us. While we are not greatly interested whether we have a great or a small surplus, every hon. member is anxious to know whether ordinary expenditure from year to year does at any time equal or surpass ordinary revenue. As an ordinary member of this House I took the figures as given by the Acting Minister of Finance (Mr. Robb). He gives us the statement that we have derived revenue amounting to $244,000,000; that we have expended $342,177,000, leaving what he calls his actual surplus of $1,823,000.

This is the point where we enter into discussion and we try to ask questions as to whether or not we have this surplus. We have listened to the hon. member who has just concluded and I must say that even now he has not made clear to me whether there is a surplus or whether there is a deficit of some $16,000,000. And why do I say $16,000,000? I give that figure for this reason: having adopted their new policy of giving cash out of the fund, the government gave to the National Railways some $18,000,000, and if that is a cash grant out of our revenues, what other conclusion can we come to than that we have a deficit of $16,000,000? If it is not regarded in that way, then, according to the acting minister, it should go into our debt. But if it is derived from the revenues and taken out of the fund, the minister should explain what the actual cash is; and we as ordinary members cannot figure it in any other way than to apply that to the expenditure of $342,000,000, which would leave a deficit of $16,204,000. The hon. member has laboured all afternoon and has not made that one point clear; and the bone of contention is as to how we shall account for that $18,000,000 given to the railways. If it is taken out of the fund it should surely go as ordinary expenditure and so make a deficit of $16,000,000. The next point in the statement refers to the public debt.

[Mr. A. E. Ross.]

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 23, 1925

The House met at three o'clock.

COPYRIGHT ACT AMENDMENT

Mr. W. G. RAYMOND (Brantford) presented the second report of the special committee appointed to consider and report upon Bill No. 2, to amend and make operative certain provisions of the Copyright Act, recommending that the committee be given leave to sit while the House is in session.

CANADIAN GOVERNMENT MERCHANT MARINE

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I lay on the table copies of the sixth annual report of the Canadian Government Merchant Marine. These copies are in English. Copies in French will be brought down in a few days.

REPORT

Correspondence between the government of the United States and the government of Canada in reference to the St. Lawrence Waterway.—Hon. Mr. Graham.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PINHORN RECEIPTS AND EXPENSES

Mr. GARDINER:

1. What were the receipts from the customs port or quarantine station of Pinhorn, Alberta, for the fiscal years of 1920, 1921, 1922, 1923 and 1924?

2. What were the expenses for the same port for the same years?

Hon. Mr. COPP:

Department of Agriculture.

1. 1920-21, $2.00; 1921-22, $6.50; 1922-23, $12.75; 1923-24, $20.00; 1924-25, $7.75.

2. 1920-21,

D. Coristine, veterinary inspector, salary, arrears, bonus and expenses	$3,752 20
Coal for quarantine station	43 75
Total	$3,795 95

1921-22:

D. Coristine, veterinary inspector, salary, bonus and expenses	$3,106 15
Coal for quarantine station	156 00
Total	3,262 15

1922-23:

H. J. Elliott, veterinary inspector, salary, bonus and expenses.. ..	$3,314 15
Repairs to quarantine station.. ..	374 00
Ploughing fireguard..	36 00
Coal for quarantine station..	132 00
Total..	$3,856 15

1923-24:

H. J. Elliott, veterinary inspector, salary, bonus and expenses.. ..	$2,573 99
Repairs to quarantine station.. ..	93 00
Ploughing fireguard..	36 00
Coal for quarantine station.. . ..	138 50
Total..	$2,841 49

1924-25:

H. J. Elliott, veterinary inspector, salary and expenses..	$2,603 18
Repairs to quarantine station.. ..	133 36
Ploughing fireguard..	30 00
Total..	$2,766 54

In connection with the above figures, inspection fees are only collected on commercial entries of animals, while those imported as pure-breds or settlers' effects receive free inspection and test, if required. The location of Pinhorn is such that commerical entries of live stock may be considered negligible.

The veterinary inspector stationed at that point does not, of course, confine his duties to the inspection or test of animals entering Canada, but is used in connection with mange work or such other work as may be required, which has been of very considerable magnitude in some of the years covered by the above figures.

Department of Customs and Excise.

1 and 2:

	Receipts	Expenses
1919-20..	$ 390 00	$ 1,712 82
1920-21..	45 00	1,308 75
1921-22..	130 70	1,362 50
1922-23..	232 80	1,497 60
1923-24..	1,422 51	961 50

EXPERIMENTAL FARM, OTTAWA

Mr. STIRLING:

1. Has the Government sufficient land for experimental farm work at Ottawa?

2. Is any land available for such purpose conveniently situated to the present farm?

3. Does the government contemplate buying any more land in the near future in connection with the development of experimental farm work at this point?

4. If so, where and when, and at what price?

Hon. Mr. MOTHERWELL:

1. No.
2. Yes.
3. The matter is under consideration.
4. Answered by No. 3.

CAMP BORDEN

Mr. CHURCH:

1. Is it the intention of the government (or has any promise been given) to remove the Royal Canadian Air Force aviation camp from Camp Borden to Camp Mohawk at Deseronto?

2. If so, what is the reason for the change and the cost of such removal?

3. Were other sites centrally located and owned by the government, such as Long Branch, considered?

4. If any change has been decided on, on what grounds was the removal deemed necessary and what officer of the department recommended it?

Hon. Mr. MACDONALD:

1, 2, 3 and 4. The matter is under consideration.

EXPORT OF ELECTRICAL POWER

Sir HENRY DRAYTON:

1. Under the regulations of the government will the tax on the export of electrical power be placed on the exporter or will such export be made illegal unless paid by the importer?

2. In case the tax is placed on the exporter is any provision made to cover the case of power exported under firm long term contracts or will the municipalities bound by said contracts be obliged to pay the said tax?

Hon. Mr. LOW:

1. The exporter will pay the tax.
2. No.

CANADIAN NATIONAL RAILWAYS —RETIRING GRATUITIES

On the Orders of the Day:

Mr. W. J. WARD (Dauphin): Mr. Speaker, in the session of 1923 I brought up the question of certain gratuities given to retiring officials of the Grand Trunk railway. As will be seen by reference to page 1667, volume 2, of Hansard of that year, the question was asked as to whether or not certain officials would be called upon to return the amount awarded them. The Minister of Railways (Mr. Graham) announced, and his statement will be found at page 1668 of the same volume, that the officials in question were going to refund the gratuities they had received. I should like to know whether the officials in question have made such refund, and if so when?

Mr. SPEAKER: I think the hon. gentleman had better give notice of his question, it is rather involved and could not be answered

offhand. The hon. gentleman will therefore give notice as required by the rules of the House.

Mr. WARD: I did give notice to the Minister of Railways (Mr. Graham) that I intended to ask this question.

Mr. GRAHAM: I can answer it, Mr. Speaker, if you like.

Mr. SPEAKER: I think we should adhere to the rules of the House, and it is in the interest of proper procedure that notice should be given of such questions. This question can be placed on the order paper.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Wednesday, April 22, consideration of the motion of Hon. J A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. A. E. ROSS (Kingston): When the House rose at six o'clock yesterday I was proceeding to narrate the difficulties of the ordinary member in his attempt to grasp the financial situation as presented in the budget speech of this year. The second budget speech, as delivered by the apparently second Acting Minister of Finance, (Mr. Marler) has left us in a position of great confusion. We got as far as the statement that the ordinary revenue of the country was $344,000,000 and the ordinary expenditure $342,000,000, leaving a supposed balance or surplus of $1,823,000 odd. But we ordinary members were nonplussed by this grant of cash of $18,027,000 to the Canadian National Railways. If we take that as ordinary expenditure, no matter where it has been obtained, we have a deficit of $16,204,000; but if we accept the conclusion as arrived at by the hon. member for St. Lawrence-St. George (Mr. Marler), and with which we in this section of the House agree, namely that all assistance to the railways, whether cash, guaranteed loan or unguaranteed loan, is to be taken as a debt of this country and should be so marked and should be included in our obligations, then we can without any further discussion and without any evasion say that our additions for the year to the national debt comprise the following items:

[Mr. Speaker.]

Cash to Canadian National Railways.. ..	$ 18,027,000
Last year's vote to the Canadian National Railways..	56,527,000
Further estimates to be voted this year..	7,500,000
Vote for branch terminals..	18,000,000
Total..	$100,054,000

From this amount we subtract the apparent surplus of $1,823,000, leaving a debt net or deficit of this country of $98,231,000. No one can deny any one of these figures, and I would like hon. gentlemen to note that I have omitted from this list the following items:

Amount of refunding debt..	$17,000,000
Amount to the Canadian Government Merchant Marine..	900,000
To the Quebec Harbour Commissioners..	600,000
	$18,500,000

And as we cannot obtain information as to whether these two amounts are for a certainty included in any other figures given by the minister, we will take it for granted and give the government the benefit of the doubt and leave them out. Therefore we come to this conclusion: that at the very least the additions of this year to the debt upon our country is $98,231,000. I know, Mr. Speaker, that other hon. members will find items in the budget that they will say should be added to it, but as an ordinary member I am taking figures that cannot be disputed. And, taking this minimum amount, can this government or any member of it say that we have a balanced budget? The statement has been made, and no doubt will be made in the future that the budget has been balanced; but in the face of this statement which I have submitted, and any manipulation of the figures by a minister of the crown or by an official of the crown to prove a balanced budget, how can we describe such a statement except by saying that it is untrue and misleading? Some members may use stronger language and in doing so may incur the displeasure of the hon. member for St. Lawrence-St. George (Mr. Marler), who, in dealing with this budget has climbed up the back stairs of the band wagon and is attempting to play the big drum; but so far as we are concerned we will continue to make our affirmation in whatever language we like to use that the budget is not balanced. And in the last few years no Minister of Finance has claimed a balanced budget. Our public debt is mounting by leaps and bounds under this government having this year increased by the large sum of $98,231,000.

Now, sir, let us look at it from another angle—I am not making this statement as a chartered accountant but just as an ordinary member of the House. From time to time

statements are made that our debt has been reduced so many dollars. For a number of years this government has been declaring at the end of each year that there has been a surplus. These statements are made with the intention of leading ordinary members of the House and the public to believe that the debt of the country is being gradually reduced. The financial statement, however, as it is put before us from time to time—

Mr. MARLER: The hon. member used the word "surplus" a moment ago. Hon. members will find precisely the same word used, and exactly the same terms and the same application, in the speeches of Sir Thomas White and of the hon. member for West York (Sir Henry Drayton). Was there an intention on the part of those ministers to mislead the public also?

Mr. ROSS (Kingston): The statement was made by the hon. member—who is one day agreeing with the government and the next day disagreeing, and now that he sees signs of an election he has climbed on the band wagon—that similar declarations were made by former finance ministers. I merely wish to say that the former ministers never made the statement he has made. The hon. member for Shelburne and Queens (Mr. Fielding) did not make the statement that he balanced the budget.

Mr. MARLER: I am not referring to the member for Shelburne and Queens, but to Sir Thomas White and the member for West York (Sir Henry Drayton). Has my hon. friend read their speeches? If he has he will find that what I say is exactly true.

Mr. ROSS (Kingston): Last night I asked my hon friend a simple question and he rushed out of the chamber with his papers. In the years 1922, 1923, 1924 and 1925 there were surpluses as follows:

1922	$34,391,000
1923	62,321,000
1924	72,000,000
1925	1,823,000

Making altogether surpluses of a hundred and seventy million and some odd thousands. Ordinary people like ourselves would naturally think the public debt would be reduced by that amount of money, but instead of that there was an increase each year except one, as follows:

	Increase	Decrease
1922	$ 81,000,000	
1923	31,000,000	
1924		$35,000,000
1925	13,000,000	
	$125,000,000	$35,000,000
Net increase	$90,000,000	

The statement made yesterday by the hon. member for St. Lawrence-St. George would no doubt explain much of this. But the simple statement that there is a surplus or that the public debt is decreasing is not of much use to us. We can only take the statements year by year and ascertain whether during that period we have added any amount to the net public debt or not. This budget, like former budgets, also shows a constantly increasing burden on the middle and poor classes of this country. Let me draw the attention of this House to two or three items. The income tax brought in the following amounts:

1921	$46,000,000
1922	78,000,000
1923	59,000,000
1924	54,000,000

You will notice a decrease each year in the income tax collections. The business profits tax brought in the following amounts:

1921	$40,000,000
1922	22,000,000
1923	13,000,000
1924	4,000,000

In addition to these taxes, which show a gradual decrease, we have the sales tax, cheque tax, transportation tax and so on. From these there was derived:

1922	$ 73,000,000
1923	106,000,000
1924	120,000,000

I claim, therefore, that this budget shows a constant increase in the burden upon the poor people and the middle class, and a corresponding decrease in the burden upon the incomes and business profits of the rich.

An hon. member said the other day that he had been "flimflammed" by the budget. It is rather late at this time to learn this lesson, but it is better late than never. Yes, we and the country have been flimflammed by the statements of this government. I should like to call the attention of the House to two or three of those statements. It has been claimed by this government that taxes are decreasing. Just as I have shown in my statement about the sales tax, cheque tax and transportation tax, I want to show how the taxes have been "decreasing" upon the people of this country. To a question for items in regard to the sales tax, and the amount of money collected from it each year the following answer was given:

1920-21	$ 38,000,000
1921-22	61,000,000
1922-23	91,000,000
1923-24	100,000,000

In 1923-24, when the government had increased the sales tax by one hundred per

cent, there was collected from the people, through their ordinary purchases, $100,000,000. When this tax was reduced in 1924-25, the amount collected was still $62,000,000. There is no great showing there of this direct tax upon the people being reduced.

Another claim made by the government is that they are practising a certain amount of economy. The position puts one in mind of whittlers round the country stores who are armed with a jack-knife and a stick, do nothing but whittle and accumulate about them a lot of shavings, with nothing manufactured, nothing achieved, nothing gained. The government has been whittling at economy for quite a number of years, and I should like to draw the attention of the House to certain results of the efforts of this combination of whittlers across the way. They whittled at the Civil Service, cutting out some little bumps, while they allowed others to grow larger. Under this operation the Auditor General's department increased by $17,000 a year by the addition of one employee. They whittled at the Department of National Defence, cutting out eight clerks, six stenographers and seven file clerks, but they added five clerk typists and three senior stenographers. They whittled out an inspector of harness and saddlery and added one inspector of leather products. They whittled out one inspector of cloth and one inspector of clothing, and they added two inspectors of textile products. They whittled out one packer and one helper and they added two office appliance operators. They whittled out one messenger clerk and they added two office boys. They whittled down pensions by $60,000, but they increased the expense of the Pension board by $13,000. They whittled at the combines stick, and they have not reduced a single combine, although they have spent $50,000 in the whittling. They whittled at the Public Works expenditure, and while they were whittling the cost of the Scribe hotel mounted from $2,000,000 to $3,000,000. This has been the style of economy they have practised in spite of their declaration as to what they were going to do according to their great plan marked out in 1919. I would like to read that. The statement begins:

Whereas, on the 31st March, last—

That is 1919—

—according to the statement of the Minister of Finance, the net public debt was $1,584,000,000, or, roughly, $220 for every man, woman and child in the Dominion, involving an annual interest charge of about $115,000,000; . . . .

And whereas, national disaster will overtake this country should the present method of financing the country's affairs be continued. . . .

[Mr. A. E. Ross.]

Be it and it is hereby resolved that the serious nature of the country's financial situation calls for the profoundest consideration of all patriotic citizens, and the exercise of the severest economy by the government; that increase of revenue must be sought from an equitable and effective imposition and collection of graduated taxes, on business profits and income, applicable to all incomes above reasonable exemptions.

I have given the House an example of the "economy" practised by this government in regard to the income and business profits taxes showing that these have been constantly decreasing while the direct tax upon the ordinary people has been increasing.

I should like also to refer to the question of an export tax on power. I think it can be taken for granted that the people of Ontario, at least the part known as eastern Ontario, are strongly opposed to this idea, for the following reasons. We are now faced with the impossibility of increasing our amount of power. This sale of power to the Americans will certainly further increase the lack of power to us on this side of the line and will also set up competition for the price of power unless something is done by the government. For these reasons eastern Ontario is strongly opposed to this export tax. That part of the province is crying to-day for power; and, as I said in a former address, power means a great deal in the economic life of the people of this province: it means a lessening in the purchase of coal. We feel therefore that our source of power which is at our door, on the St. Lawrence, should be available to us. We cannot afford to wait for the result of this great scheme which is mentioned to-day in the press: I refer to the investigation into the canalization of the St. Lawrence. It would take a number of years to produce power under that scheme, and Ontario requires power to-day. Our supply will be at an end in 1926 and this export tax will certainly lessen the amount available to us.

There is another point indirectly connected with the budget to which I shall now refer, and that is the criticism which has been levelled at the Canadian Government Merchant Marine. I would point out that all that has been said to the detriment of our merchant marine is practically tantamount to a criticism of the shipbuilding powers and capacity of this country; it is absolutely a criticism of the men and the corporations that have been engaged in the business of building ships in Canada. I do not think that either this government or any other government or its followers can afford to indulge in criticism of this kind. I have here a little book from which I obtain my facts in regard to the

marine situation, and I learn that in 1883 Canada held third place in tonnage amongst the nations of the world; her tonnage then was 1,311,000. In 1907 she had slipped back to seventh place with a tonnage of 657,000, a decrease of 654,000 tons. In 1907, Mr. A. G. Baillie published this little book to which I have referred, showing that there was then a tonnage of 1,069,000 of foreign vessels in Canada, not one under the British flag, employing 20,000 foreign seamen and thus debarring from work that number of Canadians. In 1916 Canada had gone back still further, occupying the sixteenth place. In 1915 there were 200,000,000 bushels of Canadian wheat for shipment but not one Canadian ship to carry that product: Canada was a grocery man without a delivery wagon, thousands of customers calling for his supplies. In 1917 Premier Lloyd George cut out transportation of everything except war materials and the necessities of life, and millions of barrels of apples, besides lumber, pit props, and so forth, remained in Canada without any chance of being delivered, thus causing a great loss to the people of this country. Canada had farmed out her shipping to the foreigner and so lost millions of dollars. Sixty per cent of Canada's wheat crop in 1917 was shipped through foreign ports and the farmers paid in excess freight alone to foreign ships some $120,000,000, or $45,000,000 more than was spent in the building of the merchant marine. The situation in British Columbia in 1915 was critical. Australia was calling for apples and potatoes but there were no ships available, while India was demanding railway ties, of which one cargo had been shipped on a foreign boat, other orders which had been given having to go by the board because there were no ships to carry them. Not one British Columbia built ship, it is said in this book, was in the foreign trade. And the situation on the Atlantic was about as bad in 1916. Captain Alexander J. Fraser, of Rexton, New Brunswick, found forty-two ships loading lumber on the Miramichi river, not one of them flying the British flag; they were all Scandinavian with the exception of two which were Russian. Thirty were wooden vessels which paid for themselves in one voyage. So that our merchant marine was built under very critical conditions; the ships were perhaps rather small inasmuch as the war had proven that the loss of large liners and steamers made serious inroads into the world's tonnage, so that it would be more economical to construct smaller vessels. These were the facts during the war, although of course the post-war conditions were different. Now, these Canadian vessels, which have been subject to too much criticism, are not so poor in quality as the critics across the way try to make out. They were built by Canadians at a time when the demand for vessels of that size was greatest, and as this matter indirectly touches the budget I would point out to the House that the criticism which has been directed at our merchant marine is really a criticism of the shipbuilding industry of Canada, which we should encourage rather than injure in any way.

There are some other matters which I should like to touch upon, such as, for instance: the defence of our Pacific coast; the culture of our fisheries; assistance to develop our ores in this country; the wastage of our natural resources; and the effect of the coal tax. But I am going to leave these points for a future occasion. I want now to sum up certain features of the present situation in Canada; and before proceeding I will observe that it has been sufficiently established that the government in the present budget have demonstrated that instead of reducing they have increased the debt as well as the taxation of the country. I do not want the House to go away with the impression that the government have not accomplished something; there are certainly things which they have accomplished and which I shall enumerate without going too much into details. The government have brought down a "balanced budget" at the expense of a tremendous skyscraping public debt; they have established a harbour at Belle River without ships; they have established an elevator at Prince Rupert without grain; they have established an immigration office in Paris without immigrants; and they have succeeded in deporting more good red-blooded Canadians than have left the country in any other era, with all its factors, in all our history. The result of their efforts has been so great along these lines that even one of their celebrated commissions joined in the exodus until it was called home by the Acting Minister of Finance (Mr. Robb); I mean the pulpwood commission. The government have succeeded, too, in providing jobs for the best political hacks that have stood by them in past years; and to give them credit, they have accomplished one of the best things in the Department of Agriculture, they have procured a balanced ration for the hen.

Now, Sir, in view of this list of accomplishments the Prime Minister (Mr. Mackenzie King) has now decided to throw down the gauntlet and call on the fray. He has sent his colour sergeant to hoist the colours,

to raise the standard, and the hon. member for Chambly and Vercheres (M. Archambault) has unfurled the flag. The fight is not to be on these matters of paramount interest to Canadians, but again it is to be waged upon the graves in Flanders and upon the sorrows and the mistakes of the Great war. In other words, the great federal fight is now to be waged on the Ross rifle. I should like to say, by way of answer to a question which I put to the hon. member, and which he did not answer, that the adoption of this rifle cannot be laid at the door of the Conservative government. It was developed following the disadvantages which the British and Canadian troops laboured under in South Africa, through their rifles being outdistanced by the celebrated Mauser rifle with its better sighting. As a private in that war I know whereof I speak. The Ross rifle was assembled in Quebec, and it was adopted in 1906 on the recommendation of the then Minister of Militia in the Liberal government, Sir Frederick Borden. To show how for a few years the improvement of that rifle was secured practically through the influence of Conservative members of this House, I may say that in 1906 and 1907 the Northwest Mounted Police were armed with it, one thousand rifles having been sent out to them. But in a very short time they discarded the Ross rifle and returned to the Winchester and the Lee-Enfield. The Ross rifle was adopted in 1906 by general order No. 104. Complaints were made during that year by the Conservative members of the House as to its defects, and as a result an investigation was held at which witnesses from all parts of Canada were examined. One of those witnesses was the deputy minister of the department, Colonel Fiset. His evidence was that he knew nothing about it. But as director general of the medical services he must have known that year after year from various camps complaints were made about that rifle.

Sir EUGENE FISET: Will my hon. friend permit me? He knows very well that when the contract for the Ross rifle was entered into, it was on the recommendation of the Small Arms committee, which was presided over by the late General Sir Sam Hughes. The recommendations of that committee always went directly either to the minister or to the cabinet. Therefore it is not surprising that the deputy minister did not know anything about the Ross rifle.

Mr. ROSS (Kingston): Mr. Speaker, I quite expected that this explanation would be made. The Ross rifle was adopted in 1906, and the Small Arms committee was not organized until a year or two later. That very point was raised in the debate at the time. I quite agree that the then Colonel Sam Hughes had a lot to do with it. But he was not Minister of Militia at that time, he was not even deputy minister.

Sir EUGENE FISET: I did not say so.

Mr. ROSS (Kingston): May I correct the hon. gentleman? The adoption of the Ross rifle was not on the recommendation of the Small Arms committee, it was on the recommendation of a committee of experts appointed by the minister. Am I right?

Sir EUGENE FISET: Yes. I beg the hon. gentleman's pardon. But the hon. gentleman mentioned that the recommendation came from the then Minister of Militia. I said the rifle was adopted on the recommendation of the Small Arms committee.

Mr. ROSS (Kingston): Which did not exist then.

Sir EUGENE FISET: But I say that when the contract for the Ross rifle was entered into it was as stated by my hon. friend on the recommendation of a special committee, presided over by Colonel Sam Hughes.

Mr. ROSS (Kingston): I leave it to the House to decide. There is a difference between a Small Arms committee and a committee of experts, for which the minister is absolutely and entirely responsible. Now, before this Small Arms committee was formed an investigation was held on the complaints that came from members of the Northwest Mounted Police and the militia. To show how this rifle was foisted upon the militia, it is significant that during that investigation men who were in charge of the camps and districts attended and were prepared to give evidence as to the defects of the rifle, but in the committee room they found the Minister of Militia facing them, and they decided that if they were to hold their positions they had better keep their information in their pockets; which they did. But a sergeant of the Northwest Mounted Police was brave enough to bear the brunt. In spite of a lot of brow-beating he stuck to his opinion as to the defects of the rifle. Thereupon the investigation was called off, with the intimation that it would be renewed in the Public Accounts committee the next year, but nothing more was ever heard of it. Then came the formation of the Small Arms committee, and the rifle having been improved in the meantime, in 1909 our men were able to take first

place at Bisley. From that time on no further complaints were heard until the change of government came, when it was found that a contract had been entered into by the former Minister of Militia with the Ross Rifle Company for delivery of many thousands of these rifles. Eighteen thousand were delivered in 1908, another thirty-eight thousand in 1909, and they were being delivered a thousand at a time right up to the outbreak of the Great war. Now, I think it was a great mistake for the hon. member for Chambly and Vercheres (Mr. Archambault) to blame the loss of our men at the front upon the defects of the Ross rifle. The adoption of the Ross rifle was an effort on Canada's part to develop a national small arms weapon, an attempt to have a rifle possessing long range and splendid sighting. But when the Great war came that rifle was found to be of no use in the trenches. It was too long, it was a straight-pull rifle, and it had not undergone sufficient tests to prove whether or not it would jam. Unfortunately under actual war conditions it did jam, and no doubt lives were lost. But undoubtedly the earlier defects of the rifle had been pointed out by the Conservatives, and its improvement was due to the Conservatives, and if it had not been for their action our first division would likely have gone to France armed with the old Mark 1—and God knows what the disaster would have been in that event.

So that, if disasters followed the use of the Ross rifle, the improvement of it was the result of the continued complaints and demands for investigation. Even in 1908 there was a demand in the House of Commons for an investigation, which was refused by the then minister. It is too bad that these things have to be brought up. I am not speaking harshly of anybody; I know that accidents occurred and mistakes were made in the war. During that first fight of St. Julien the men were not experienced not only with the rifle but with other equipment they took very little care. On the plains of Salisbury we had to fit them out three times at the very least. We repeatedly drew their attention to the necessity of going out and keeping their water bottles full. All these things were forgotten by the men until the disaster came upon them, but from that day on there was an improvement in this respect, and the men benefited by their experience. If any party is to be blamed for the Ross rifle you might just as well blame them for the want of preparation in combating the gas, for which we were never prepared.

The second great point in this campaign over which the flag has been unfurled, in the fight that is to be waged, is that 100,000 unfit men reached England. I do not care to discuss that. As the late Deputy Minister of the Department of National Defence (Sir Eugene Fiset) knows well, it was all due to a want of proper medical examination. But in spite of that I would point out that unfit men reached France and gave sufficient service there as unfit men to offset the $150,000,000 which was lost by the unfit men in England. I would say this, in answer to it all: If this is to be the slogan of the fight, then it is to be remembered that these men at least reached England, and that some of them reached France.

To pass on quickly, I want to say that the Prime Minister (Mr. Mackenzie King) and this government have had a great heritage passed into their hands in the way of the mines, the forests and the other natural resources of this country. So far their policy has been one of dissipation, both in men and in natural resources. The natural resources are flowing in streams from the shores and the borders of this country. Our sons and daughters are passing in great numbers over our boundaries, and your graphs and figures and budgets are not preventing their exodus. Within the borders of our country the condition of our people is largely unheeded by this government. The present condition in one section particularly is a blot on our national life. Appeals have been made to this House, in the House and out of it, but they have not stirred the Prime Minister. Let me read to you his pledge and that of his party in this respect and ask whether this, another of the great pledges, is being fulfilled:

> Therefore this gathering of Liberals in convention assembled pledges itself to a vigorous prosecution of the measures best calculated to conserve the life and improve the physical standard of our Canadian citizenship.

Mr. Speaker, in view of the appeals being made to this House and of the condition of the people in one section of the country—I refer to Cape Breton—I ask, is that pledge being fulfilled? Is the attention being given to the conserving of the life of our people in that part of the country which is pledged by the government in this undertaking? The excuse has been put up that this is a provincial matter. It is not so much a provincial matter; in a former address I pointed out that health was a Dominion matter and that federal relief had not been confined to large or small cases; that it had been varied in its

application. During the history of this country we have provided large amounts by way of relief for different purposes. In 1880 this country sent over to the relief of distressed Ireland, $100,000. In 1899 this parliament sent to the West India sufferers, $25,000. In 1902 this parliament sent to relieve the sufferers in connection with the volcanic disaster in the West Indies, $50,000. In 1906 the San Francisco earthquake and fire disaster was the occasion of a gift of $100,000 from this country. In 1907 and 1908 the sufferers through the earthquake in Jamaica received $50,000 from Canada. In 1909, $100,000 was contributed to the relief of sufferers from an earthquake in Italy. In 1915 the sum of $25,000 was granted by parliament in connection with the Newfoundland sealing disasters. In 1921 typhoid conditions in Europe were relieved by this parliament through a contribution of $200,000. Following the disaster at Halifax the Conservative government, or Union government, whatever you like to call it, brought down a vote of $25,000,000 for the sufferers there. In 1918 those affected by the disasters at New Waterford and Stellarton were assisted by the Union government to the extent of $25,000, $10,000 going to New Waterford and $15,000 to Stellarton. Yet in the face of this condition the present appeal for relief falls upon stony hearts so far as this House is concerned, and we see our people suffer.

I am not going to say whether this condition is due to one cause or to another, but from the reports brought here and the appeals made it is evident that children

4 p.m.

are suffering, that they are ill fed and poorly clad, and the result must be to bring about neurasthenic and tubercular conditions. The plight of the women is also a serious one. Looking at the children they have brought into the world and seeing them suffer for want of food must produce among them a neurotic or neurasthenic condition from which they may suffer for years to come. Amongst the men, if this strike condition continues, there will develop a spirit of spite, hatred and malice, followed, perhaps, by murder and arson. All these things are a blot upon our national life and should not be allowed to continue. Grant that it is an industrial conflict; then, Sir, I would point out that we have at the head of this government a man who is by experience most capable of dealing with just such a situation, according to his own words. I have here a pamphlet published by himself containing a speech which he delivered in parliament outlining his services in connection with the adjustment of relations between workers and employers in war industries. Now, Sir, a man who has had that experience should be best able to cope with a comparatively small matter of adjustment such as that which now demands attention in Cape Breton. In this pamphlet he is given the credit of solving the problems connected with the industrial civil war then taking place in the industries of the Colorado Fuel and Iron Company. He was thanked by the Colorado Fuel and Iron Company for his services on that occasion. He settled the difficulties in connection with the Bethlehem Steel Company plant, according to this statement, and he adjusted the differences between the Standard Oil Company and its workers in Indiana, when the men received an increase of 11.11 per cent in wages and a six-day week. Here, Sir, is a little David who went out against these industrial giants of another country and settled all these problems. Yet a festering sore exists in our own Dominion and nobody has the courage to come and settle it.

I might refer to other conditions. The exodus is an old story in this House. The existence of the exodus is denied yet it is still going on. I read to-day in the paper that twenty-five men a day are leaving Cape Breton, and I have here another item which speaks of greater numbers leaving. I do not know the man who is at the head of the latter movement but I want to say that many of the men in Cape Breton are war veterans and they have my sympathy. The clipping that I have refers to a Glace Bay war veteran, A. R. MacDonald, who up to 1914, when he returned home to join the Canadian Expeditionary force, spent several years in the Argentine. He is one of the movers of this scheme, open to returned men only, under which it is proposed to take a colony of about one thousand men from Cape Breton to the Argentine. Mr. MacDonald is quoted as saying: "Under the government we now have in Canada, the chances are that this number"—he is speaking of the 100,000 ex-service men who have been expatriated to the United States—"will be augmented considerably this year." He adds that if suitable arrangements can be made with the Argentine government a thousand veterans will be moved from the Glace Bay district. I have also received this morning another communication which contradicts the claim that conditions are satisfactory in Canada. There was an election in West Hastings. I am waiting for the cheers from hon. gentlemen opposite.

Mr. CASGRAIN: We won it.

Mr. ROSS: Yes, and here is the result. This is a letter which was sent out this morning, I think other members of the House received a copy:

Dominion Combing Mills Limited, Trenton

DEAR SIR.—

1. Are you aware of the fact that the action of the Department of Customs in not enforcing the Customs Act is equivalent to discrimination against our firm?

2. Items 555 and 556 of customs tariff are not being enforced.

3. The Commissioner of Customs and his staff are aware of this and admit the facts.

4. This duty was placed on the statute to encourage someone to establish a key industry.

5. After investigating the matter and being assured there was a duty on wool tops, we established the finest combing mill in the world at Trenton, Ontario, capable of taking care of the entire requirements of all the worsted spinners in Canada.

6. Over 15,000 citizens of Canada are financially interested in the success of this company and all the wool growers in Canada, and numerous other industries, will profit by its success.

7. The failure of the government to enforce and collect the duty as called for, means a loss of over half a million dollars a year in revenue, on wool and wool tops, and a severe hardship to the shareholders in this company.

8. The officials of the department claim that they cannot enforce this duty without instructions from the Finance Minister.

9. As one of the law makers of this country, will you please call the attention of the Finance Minister to the unfairness to us in this matter, and use your best influence to have the law properly administered.

I predict that as a result of this situation this large industry, one of the finest that we have in Canada will soon pass into history like many other of our woollen mills.

In conclusion I wish to say that the present budget, like the former three which have been brought down under the present administration, demonstrates that this government has failed in its promises of economy, reduction of the public debt, and reduction of government costs. It has failed in its efforts to lower the cost of living, to break combines, to give employment to the people. In the discussion on the unemployment situation which has taken place the government have admitted that our only hope is in the provinces; that their own hands are tied and that they are as helpless as a new born babe; that the words of the Prime Minister and the Minister of Labour are as sounding brass and a tinkling cymbal. It is apparent that the Prime Minister and his sleeping partners can no longer inspire enthusiasm and hope in the hearts of the people, many of whom have migrated to fields of greater hopes whilst many more are still going. This condition will continue until the country awakens to new life under a new policy and a new leader—a new leader who will introduce a policy which shall protect, and in protecting upbuild again and develop the shattered industries of Canada, including our great primary industry of agriculture.

Mr. S. W. JACOBS (George Etienne Cartier): Mr. Speaker I had some doubt in my mind for a considerable time as to whether the Ross rifle really was a good weapon or whether it was not, but after the feeble attack made by the gallant general from Kingston I have come to believe that in attack the Ross rifle is a very feeble thing indeed. Nothing new of any kind or character was introduced by the hon. member today except a lot of glittering generalities in which everyone indulges who has really not very much to say of a concrete nature against the government. As for myself, Mr. Speaker, I think that if I were to attack the government I perhaps could do better than the hon. gentleman.

Mr. HOCKEN: Go to it.

Mr. BOYS: Begin at once.

Mr. MEIGHEN: Follow your judgment and go right at it.

Mr. JACOBS: I am afraid that if I were to start anything of that kind it would make me somewhat unpopular on this side of the House, and I am always mindful of the story of Balaam who was sent to curse and remained to bless. In any event I think it is quite wise for me to remain within the lines. I want to say, Mr. Speaker, that if I have obtained any share of the good will of my colleagues in this House, and I hope I have, I think it is due to the fact that I address the House as infrequently as I can. I find that the man who speaks the oftenest here is most unpopular. I also find that the hon. gentlemen who are always talking about economy are the gentlemen who are the least economical in the matter of time when addressing this chamber. It has been calculated that it costs the country $18,000 per day when the House is in session. This, I believe, is the nineteenth day upon which we have been debating this motion. That would mean that we have involved the people of Canada up-to-date in a cost of over $300,000 and I do not think it is worth it.

Some hon. MEMBERS: Hear, hear.

Mr. ARCHAMBAULT: And my hon. friend is proceeding to add to the cost this afternoon.

Mr. JACOBS: No, my contribution to the cost will not amount to very many dollars, but I can assure my hon. friend that if he objects I will be willing to turn the amount back into the treasury.

The tariff is brought up every year and discussed ad infinitum. I have been in this House for over eight years. I have listened to the various discussions upon the tariff, and so far they have left me cold. I do not believe that any one member in this House during the past fifty years has changed his vote as the result of the debate on this question of the tariff. If he changed his vote it was for some reason other than the tariff; the tariff was given as the reason for it. The tariff has been attacked on the one side for its inadequacy and on the other for its iniquity. But we have the tariff with us, and we shall always have it. It is impossible for this country to get on without a tariff. I think every hon. gentleman will admit that. If we have a tariff it should be in my humble opinion one that will protect us against other countries. What is the use of a tariff that will not protect? We may as well have no tariff at all. It is only natural that I should express views of this kind, coming from the district from which I come. It is possible that if I lived in a western province I would hold vastly different views from those which I hold now. It is a matter of atmosphere, geography and votes. Votes, after all, are the most important thing. So that when I hear people talking patriotically about the tariff it makes me smile. It is purely, as I said before, a question of geography and nothing else. After all, what does tariff tinkering amount to at the present time? We have got beyond the point of appealing on the question of the tariff. Suppose we raised the tariff on this item or on that item two and a half per cent, or lowered it two and a half per cent, do hon. members think that will affect the country? I say that it will not. We have reached the condition of affairs now that the financial condition of the country and the success of our country are not going to depend upon the question of the tariff, but on other and more important questions. The railway question, for instance, is the most important matter in the country. We had some figures from the hon. member for St. Lawrence-St. George (Mr. Marler)—and I am sure no person will controvert those figures—to show that this country has paid out to the National Railways in one form or another within the last five years between five and six hundred millions of dollars. How long are we going to be able to continue? If we are going to permit this condition to continue it spells ruin for the country. There is only one solution of this whole question, and that is, instead of having two lines in this country, one-half nationalized and one-half privately owned, we should have one line owned by one or the other, either the government or the privately-owned company. Now the privately-owned company is the Canadian Pacific. I think every hon. gentleman here will admit that the Canadian Pacific has made a success of the running of its lines. It is the most successful and the best managed railway company in the world. And in competition with that we have the Dominion of Canada also running a railway line. The duty of the government of Canada is to govern the country. The duty of a railway company is to run the railway. Now will any person suggest that the Dominion of Canada can run a railway company better than the Canadian Pacific?

Mr. EULER: It may be quite possible.

Mr. JACOBS: Will the hon. gentleman tell me what kind of success other governments who are quite as acute and able as our government have had in the running of railways? What governments have been successful in running railways? Take the case of Australia. It is said that in that country they have the worst served railway in the world.

Mr. EULER: Paying its way.

Mr. JACOBS: It is paying its way, but what kind of a way is it? It is a poor railway. I met a gentleman from Australia, who had travelled round the world, and he stated that never in his experience had he seen such a condition in regard to railways as he saw in Australia.

Mr. EULER: Would the hon. gentleman tell us what he said about the service on the Canadian National Railways?

Mr. JACOBS: I do not know what he said about that, but I do not think any person can object to the service on the Canadian National. It is first-class in every respect. There is nothing better in the world than the service on the Canadian National? And why? Because the Dominion of Canada is at the back of it to pay the piper, without any regard at all for economy. When they need money they say, "Send seven million" or "Give us ten million," or "Give us fifteen million," and like Moses when he struck the rock, the water gushes forth.

Mr. GOULD: I should like to interject the remark that last week a gentleman who had just returned from Australia was in my office,

and stated that the service given there was very good, and that shower baths were provided on the trains in Australia.

Mr. JACOBS: Very good. That shows they have a little water in their stock. For the last two or three days the newspapers have been filled with a surprising bit of information, a discovery made by Sir Henry Thornton, that if the two lines were amalgamated, the combined lines would pay the fixed charges of these two railways. That is quite an important piece of information. It is the first bit of good news we have received from the Canadian National's head for some time. That information was given us in 1921 by Lord Shaughnessy. He told us exactly the same thing as Sir Henry Thornton told us a day or two ago. The Shaughnessy plan, hon. members will remember, was a scheme whereby the Canadian Pacific would take over the Canadian National Railways, eliminate duplication and overlapping, co-ordinate the two lines, and have them run as one; and he proposed that, in consideration of that, their fixed charges would be assumed and a dividend in perpetuity would be paid to the stockholders of the Canadian Pacific. That did not seem to be an unreasonable thing. If they turn over their line they want something in return for it, and that seems only reasonable. What are the figures? As I calculate them, about $35,000,000 per annum is the amount which this government would be asked to guarantee. Now in consideration of that sum, they would take over the Canadian National lines. Lord Shaughnessy in effect proposed that if by some arrangement with the Canadian Pacific Railway certain assets, not being strictly railway property, could be segregated, and the railway property added to the government system, the system would comprise 31,000 miles of railway with a considerable number of parallel lines unimportant or useless. The consideration to be given the shareholders of the Canadian Pacific Railway Company in exchange for the properties above defined would be in the nature of an undertaking by the government of Canada to pay to the shareholders in perpetuity, a fixed annual dividend on the share capital, to be supplemented by a further payment when the whole property was yielding a specified return. The extraneous assets of the Canadian Pacific Railway would be transferred to and be administered by trustees or by a subsidiary company with another board of directors, so that the directors of the railway company would be interested only in the administration of the trust placed in their hands by the people of Canada. There would be no motive for selfishness, if such a thing were possible in the circumstances. The income on their shares being fixed and unchangeable, excepting as above provided, the Canadian Pacific Railway shareholders could receive no advantage from preferential treatment given to any particular portion of the railway system. The directorate would have every incentive for wise, prudent and business-like administration.

These were the broad principles of the plan. As to details, the political management was ruled out as impossible and ruinous and the proposal made that the existing Canadian Pacific Railway management be utilized under the terms of a contract approaching perpetuity in its duration, to administer and operate the whole property for account of the Canadian people. Under the consolidation, and taking 1920 figures as a basis, the gross earnings would be $342,283,000 and the operating expenses $345,973,000; to the latter would have to be added the annual fixed charges of the whole system, the guaranteed dividend on Canadian Pacific Railway preference and common stock, and incidentals; the resulting total deficit would be about $80,000,000. Against this Lord Shaughnessy added a possible saving of $56,000,000 by bringing the combined average of operating costs to the Canadian Pacific level, a saving of about $12,000,000 by reducing these costs four per cent or five per cent more, in years less expensive than 1920 which he thought possible, with the balance easily wiped out by improved conditions of national settlement and development.

Mr. MEIGHEN: What is the hon. gentleman reading from?

Mr. JACOBS: From the Castell Hopkins Canadian Annual Review.

Mr. HUGHES: Did Lord Shaughnessy not stipulate that the best-paying portions of the Canadian Pacific would still belong to that corporation, and that the revenue derived from them would be in addition to the guaranteed revenue of the government of Canada?

Mr. JACOBS: He did stipulate that the property which was not particularly railway property would be segregated and taken out, and that they would turn over merely the railway proper.

Mr. EULER: I am asking for information only because I have forgotten to some extent the particulars of Lord Shaughnessy's suggestions. Would the hon. member tell us what Lord Shaughnessy had to offer by way

of return for the large sum that the Dominion has given or lent to the railway?

Mr. JACOBS: What he had to offer was efficient management and elimination of competition. Surely that is an important matter.

Mr. EULER: Who would continue to pay the interest on the heavy investment?

Mr. JACOBS: The same parties that are continuing to pay it now, until such time as the line may be made to pay. Surely my hon. friend would not expect Lord Shaughnessy to put his hand into his blue jeans and pay the $100,000,000 a year of deficit.

Mr. EULER: Does the hon. member recall that Sir Henry Thornton yesterday, in committee, stated that under his plan of merging, the Dominion of Canada would be paid interest on the moneys that have been advanced; that is, the savings that could be effected would be sufficient to pay interest on all the fixed charges including the indebtedness of the railway to the Dominion of Canada? Lord Shaughnessy does not promise that.

Mr. JACOBS: Of course, Sir Henry Thornton so far has been a splendid promiser. I should like to point this out first, that we cannot in this House discuss what took place in committee yesterday inasmuch as the matter is not before the House. As regards what Sir Henry Thornton is capable of doing, I do not wish to disparage in any way his ability because I have a very high opinion of his ability as a railwayman.

Mr. SPEAKER: The hon. gentleman has just stated what I had in mind, that no discussion is permissible of proceedings before a committee which has not yet reported to the House. I supposed the hon. gentleman referred to what appeared in the papers of yesterday, and that is quite a different matter.

Mr. JACOBS: I was particular to do that, but the chairman of the committee (Mr. Euler) probably thought he was a law unto himself and could transgress the rules. What I said was this, that anything that the Canadian National Railways under government ownership can do for us, the Canadian Pacific can certainly do. They have been in the business for forty years. Their business is to run railways. They have made a success of their railways. In our case, as I have already intimated, we cannot run railways because we are too busy governing the country. That is our business, and I doubt whether we have succeeded in it. This Dominion cannot be a maid-of-all-work. We must restrict our energies to what we are sent here to do and nothing else. I do not know whether hon. members realize the feeling of uneasiness throughout the whole of Canada with regard to this railway situation. We feel that our money is being thrown into a bottomless pit; that every dollar we put into this railway we shall never get back; that we are simply preparing these railways, fitting them up, bringing them up to the mark in the hope that some day we shall be able to turn them over to some individual or company who can run them.

Mr. EULER: Not at all.

Mr. JACOBS: We shall never be able to get a cent of our money back. I do not agree with the hon. member for North Waterloo (Mr. Euler). I rather agree with the hon. member for Laprairie and Napierville (Mr. Lanctot) who said last year that he would sell the railways for a dollar —and has now reduced the sum to fifty cents —to anybody who would take them over and not ask us for another cent.

Mr. MacLEAN (Prince): Does the hon. member suggest a combination of the two lines and a government subsidy with control of rates?

Mr. JACOBS: My suggestion is that the lines should be amalgamated in order that we might never hear the word "subsidy" again; that we should close the door on it, lock the door and throw away the key. I wonder whether hon. gentlemen realize that about 34 cents of every dollar which we collect by any form of taxation from the people of this country goes to the upkeep of the Canadian National railways. Do hon. gentlemen realize that the $50,000,000 which we collect from the income tax pays about 40 per cent of our loss on the Canadian National Railways? How long is it possible for us to go on and pay in that way? There must be a limit to it at some time. There seems to be nothing at the present moment except promises that at some time in the dim and misty future we shall be blessed by having a line which will not cost us anything further in the way of outlay to run. But I am not the optimist that the hon. member for North Waterloo is. I believe that as long as we have this line, it will be a white elephant on our hands; that it is going to bleed us white, and that if we do not take care as to the future, the time may come when there will be a question of repudiation of the debt on this line as well as the debt of Canada to others.

Mr. PRITCHARD: I have been trying to find out, listening to this debate, what are

the total liabilities of the Canadian National Railways on which we are paying interest. Can the hon. member tell us what they are?

Mr. JACOBS: I have no idea. I am afraid to look up to find out. I am frightened to know what the figure is. The hon. gentleman as well as others perhaps ought to be satisfied to know that it is a very large sum and not to know the real facts.

Mr. GOOD: How would the hon. member view the proposal to amalgamate the two lines and put the Canadian Pacific organization in charge just as the Canadian National organization under Sir Henry Thornton is in charge now? Would he expect that they would get out of debt and put the railway on a good foundation?

Mr. JACOBS: What I am trying to argue is that when we eliminate competition, we shall be in a much better position than we are now. We have duplication, overlapping, want of co-operation. Sir Henry Thornton said the other day: "I spent $1,100,000 last year and I intend to continue advertising because I think it is a good thing for my company to do." If we had one line of railway, there would be no necessity for advertising. People would have to take that line or walk. That is only one instance. We would be cutting out all these lines running in a parallel direction from one city to another. I have in mind Ottawa where we have nine railway trains every day taking down a handful of people to Montreal. It is criminal to do a thing of that kind, and all through this country you find the same condition prevailing. It is absurd that we should have our line in competition with another line, and the result is that neither of them can be made to pay. The Canadian Pacific last year barely met their dividend charges. I think they had about $100,000 over, and a large portion of that was taken from proceeds which were earned not out of the line proper.

Mr. GOOD: Does the hon. member argue that the Canadian Pacific organization is much more efficient than the Canadian National organization?

Mr. JACOBS: I am not prepared to say that they are more efficient, but I am prepared to say that we want only one efficient road rather than two inefficient roads. This country has a population of eight or nine million people, becoming less every day, as I shall be able to show before I conclude. We have not room in this country for practically three transcontinental lines. The United States, with their population of 115,000,000 have not one transcontinental line; there is not one uninterrupted line from coast to coast in that country. In Canada on the other hand we had at one time three transcontinental railways. Now, we have room for one, and my proposition is that one of these lines, the Canadian Pacific, should take over the other lines in Canada under some such plan as has been outlined by Lord Shaughnessy. I do not say that we should at once fall in with that scheme, but it is a basis for negotiations. We might be able to work out something, however, if we adopted that plan, that might be better for the people of the country and for the Canadian Pacific Railway as well.

Mr. MEIGHEN: Is it not a fact that there is now, or ought to be at least, less wasteful competition and overlapping than when, instead of the Canadian National Railways, we had three competing systems?

Mr. JACOBS: We had three competing systems apart from the Canadian Pacific and there was a lot of waste. But how did that waste occur? No one knows better than my right hon. friend.

Mr. MEIGHEN: I know.

Mr. JACOBS: We had Mackenzie and Mann every year in the lobbies, and they got away with $25,000,000 on one occasion and $45,000,000 on another; many millions of dollars did they draw from the coffers of this country in order to run these wasteful lines. That is what happened; but thank God that is all a matter of the past; let us hope that we shall have no more of that. Sir William Mackenzie has gone to his reward and the haunts of Sir Donald Mann know him no more. I think that perhaps the people of this country have learned a great many things since the war, and they have learned many things since taking over these lines. They have found that these lines were not run for the profit of the country nor for the profit of the stockholders of Mackenzie and Mann, but for the profit of half a dozen buccaneers who made away with all this money and left us holding the bag.

Mr. MEIGHEN: Then the hon. gentleman agrees that the amalgamation of the three systems was a good thing?

Mr. JACOBS: Yes, the amalgamation of the three would be a good thing.

Mr. MEIGHEN: "Was" a good thing.

Mr. JACOBS: There was no amalgamation of the three.

Mr. MEIGHEN: Yes,—the Canadian Northern, the Grand Trunk and the Grand Trunk Pacific.

Mr. JACOBS: I am willing to admit that that was the only alternative we had; we could only amalgamate them.

Mr. MEIGHEN: Hear, hear.

Mr. JACOBS: I do not think the right hon. gentleman had any option; with him it was a case of Hobson's choice.

Mr. ARCHAMBAULT: What about a traffic arrangement with the Canadian National and the Grand Trunk at the time of the question of the purchase of the Grand Trunk?

Mr. JACOBS: I don't get that.

Mr. ARCHAMBAULT: I mean, what about a traffic arrangement as another alternative?

Mr. JACOBS: Now?

Mr. ARCHAMBAULT: No, I am talking about the time the question was discussed of acquiring the Grand Trunk railway. What does the hon. gentleman think, as another alternative at that time, of a traffic arrangement between the Grand Trunk and the Canadian National Railways? That alternative was proposed in this House.

Mr. JACOBS: I do not think it would have come to anything, because eventually these lines would have had to be taken over and be amalgamated, as they were. I may say frankly that at the time it was done I was rather violently opposed to it, but I have come to believe that there was nothing else for the country to do than to take them over. And now there is nothing else to be done than to give these lines over to the Canadian Pacific.

Mr. ARCHAMBAULT: Give them?

Mr. JACOBS: Turn them over under the Shaughnessy plan or some similar arrangement.

Mr. EULER: The hon. gentleman has made a strong criticism of the "buccaneers" of the railway world in years gone by. Is that not a criticism of private ownership, under which these things occurred?

Mr. JACOBS: Surely my hon. friend does not suggest that every private person is a buccaneer.

Mr. EULER: I did not say anything about buccaneers; it was the hon. member himself who used that term.

Mr. JACOBS: I am referring to certain gentlemen in particular whose names I have no wish to mention, although they are not in this House, who got away with all this money and left the lines on our hands.

Mr. EULER: Under private ownership.

Mr. JACOBS: Private ownership is one thing and buccaneer ownership another. Now, as I said before, we have a population of eight or nine millions to support these two lines, and it will be admitted by everyone, I think, that we do not want two lines in this country. There are gentlemen in this House, in fact I think the same is true of all hon. members, who want only one line; there is not a person who wants two. The question however is, who will run them? Should it be the Canadian government or the Canadian Pacific Railway Company? In this connection I am reminded of one of the Bab Ballads, about the cook and the mate of a ship who were both stranded on an island and who after a time found it necessary to resort to cannibalism. The mate said something like this, "You ought to let me eat you, seeing that I am more in authority than yourself." But the cook did not see it in that light; he said, "'I would be glad to accommodate you, but I am a cook and can prepare meals much better than you can. Why should you want to cook me when you are not a cook?" That is the position to-day in regard to the Canadian Pacific Railway and the Canadian National system; the Canadian Pacific knows how to run railways; they are the cooks, whereas the others are merely mates and nothing else.

As to the suggestion that the Canadian Pacific Railway should be taken over by the Canadian National Railways, I do not think that those who make a proposal of this kind have thought of what the additional cost would be, and that is something that appals me. I am sure there is not a public man in this country who would think of taking over the Canadian Pacific Railway, with everything that that implies, and incorporating it with, I was going to say, a corpse, —at any rate, with something that would be a corpse if we withdrew from it the support which we give it from day to day.

Mr. GOOD: Why not put the excellent Canadian Pacific Railway organization in charge of the combined railways? Why

should not the country amalgamate the two systems, taking over the Canadian Pacific with its excellent organization, and, if that organization is much better than that of the Canadian National, giving it control?

Mr. JACOBS: I would object to that because the ultimate power would be in the hands of my hon. friend from Brant (Mr. Good), of my hon. friend from Lisgar (Mr. Brown), of myself and other members of parliament. And we do not want railways. That is my reason for wanting the Canadian National turned over to a company which would be under no obligations to the government and would not look to the government for support. You give a man a crutch or a stick and he will lean upon it for support until after a while he will not be able to walk straight. We want all the lines brought under an efficient management such as we find in the Canadian Pacific Railway, the best managed railway in the world. I am sure we could make a success of the combination. What has been shown is that under an amalgamation of the two lines there would be no loss. The deficit of the Canadian National Railway system last year was $57,000,000 and the addition to the funded and unfunded debt was $119,000,000. Can we sit quietly by and allow this sort of thing to go on, when we are told by the heads of the railways that all that is necessary to eliminate loss is an amalgamation of the two systems? That is a question I put to hon. gentlemen.

Mr. GOOD: Was not the proposed guarantee of the minimum of ten per cent, which the Canadian Pacific wanted, a crutch?

Mr. JACOBS: No. Three per cent of that ten per cent comes from the land department of the Canadian Pacific Railway; and then there is the ocean service, which would not go in. What they want is a guarantee of the dividends which they have been able to pay their stockholders for the last twenty-five years. And that is reasonable. They are earning the dividends now and have been earning them for years. Why should they make any arrangement that would endanger these dividends to their stockholders, giving them nothing in return? They want to have those dividends turned into bonds and to have a guarantee of $35,000,000 a year, a paltry sum having regard to the very vast amounts which we have been paying out since taking over the Canadian National Railways. And they say that when this is done the lines will be amalgamated and they will be able to show by figures that there will be no loss to the country, while the fixed charges will be met from year to year.

Mr. FORKE: All this is very interesting and we are getting information, but I want to ask the hon. gentleman a question. If all the railways in the country were run by a private corporation, would he still be in favour of having the railway commission fix the rates? Otherwise, would not the country be entirely at the mercy of the company?

Mr. JACOBS: The line would be controlled by the railway commission, who would fix rates, indicate what branch lines were to be built, and so on, as they do at the present time. The railway company would be the creature of the railway commission. There is no suggestion at all that the railway commission should be abolished. Such a suggestion would not work. I grant you that if this vast monopoly were to begin to function without some regulative body such as the railway commission, it would be a disastrous thing for the country.

Mr. CANNON: If that be so, what happens to government interference that my hon. friend was criticizing?

Mr. JACOBS: This is not government interference.

Mr. CANNON: All the railway commission's decisions are subject to revision by the government.

Mr. JACOBS: After all, public opinion counts for something.

Mr. CANNON: It does here also.

Mr. JACOBS: There may have been some little sporadic criticism of the railway commission from my friends on the opposite side, but it was well-intentioned criticism, and I do not think they ever questioned the honesty or integrity of the commission.

Mr. MEIGHEN: Has the hon. gentleman looked up the recent life history of the Minister of Agriculture?

Mr. JACOBS: I am afraid my right hon. friend was taking the Minister of Agriculture seriously on that occasion. I think it may be gathered from the remarks I have made this afternoon that I am not quite in favour of public ownership of railways. I wish to make that clear to the House. I have always been opposed to public ownership when private ownership can be made to apply, because I believe in the efficiency of private ownership. I believe that private ownership has been able to accomplish almost everything that has been accomplished so far in this world, and that

public ownership, or the interference by governments and by governing bodies generally, has always been a brake and detriment to progress. I am talking generally. In any event I throw out these suggestions for what they are worth. I feel that the temper of the people is in favour of some change in our railway policy, and that the sooner we do something along these lines the better it will be for the government and for the country. Our people will not stand very much more of this tinkering with our railway system. It is a running sore, it is something which must be cured. We have to do something, and at once; and my suggestion, I hope, is a fair solution of the problem. I have yet to hear from any public man in Canada that the taking over of the Canadian Pacific line by the Canadian National, running as it is, is going to meet with the approval of this country. To me it is just like taking a healthy child who has never been sick and putting him to bed with a sick child suffering from a contagious disease. That is exactly parallel to what would be done if we put the Canadian Pacific Railway in with the Canadian National Railways.

Mr. MacLEAN (Prince): Do you think you would have had those advances from the Canadian Pacific Railway a few years ago, before the Canadian National Railways made the showing they have made under the present management?

Mr. JACOBS: Do you mean advances looking to an arrangement?

Mr. MacLEAN (Prince): Yes.

Mr. MEIGHEN: That is when they did come.

Mr. JACOBS: They were not suffering at that time, because they were making hay while the sun was shining—they were dealing with cripples at that time. But to-day it has become a very serious matter for the Canadian Pacific Railway. They feel they are pitted against the government of Canada, and it is a fight to the death. Everyone knows what the result will be.

Now, as I said before, we have a population of less than 9,000,000, and there is a general complaint throughout the country that we are losing our people at an alarming rate. It is true. Last year, according to the returns of the United States Bureau—our own government does not keep any returns,—we lost to that country 159,000 of our population; that is people who paid their head tax and went through in the ordinary way. They were credited to Canada,—if I may so term it. What kind of people go from this country to the United States now under the quota law? Our native-born; only those are taken in. What becomes of the foreign-born in Canada? They go in by the underground route.

Mr. FORKE: They do not go.

Mr. JACOBS: They all stay here?

Mr. FORKE: Out west, anyway, they stay.

Mr. JACOBS: I am surprised to hear that. I thought they migrated to the United States in about equal proportions. The fact that a man is foreign-born does not make very much difference if he wants to go to the United States. At any rate, we will say a certain number of them went. Perhaps they are so satisfied in the region of Brandon that they do not leave for the United States. That is not the experience down my way. I know the United States immigration office is besieged from morning to night by people who are trying to obtain the necessary permission to enter that country. At a rough computation I would say about a hundred thousand of those people went to the United States. How many immigrants did we bring into Canada last year? We brought 140,000. What kind of people came in? Half British born and half foreign born. Now, as I said before, the vast majority of the people who went to the United States are Canadian-born —a much better class, I grant you, than the foreign-born. Why is it that these people have gone in such numbers to the United States? I know my right hon. friend the leader of the opposition will say that it is because of the lack of tariff in this country. I do not know how far that is true, but I think my right hon. friend is magnifying the number of people who went to the United States because of poor tariff conditions here. Our people who crossed the line did so because there is no quota law preventing their entry into the United States. Are hon. members aware that the government of the United States has put into effect a quota law which prevents more than 2 per cent of any nationality entering that country, based on the number of that nationality who came there before 1890?

Mr. FORKE: I may be wrong, but does not that quota law prevent not only foreign-born but British-born going to the United States?

Mr. JACOBS: It prevents English-born no more than foreign-born; 2 per cent of any nationality are allowed entrance. It makes no difference if the immigrants are

descended from the angel Gabriel; they cannot enter the United States if more than 2 per cent of them have already come in during that year. What happens? We have the United States declaring by law that the only people who can enter their country in unlimited numbers as against the rest of the world are the Canadian-born. What does that mean, Mr. Speaker? It means that Canada is being drained of her native-born to satisfy the demands of the United States. It is only a question of a very short time, unless diplomatic representations are made to the United States, before every native-born Canadian will be walking the streets of Chicago, Detroit, Boston or other American city, and we may see a specimen in our museum stuffed and properly mounted to show what a native-born Canadian was once like.

Mr. MEIGHEN: Will the hon. gentleman permit me? Irrespective of any quota law restrictions, what is his explanation of why our Canadian-born should want to go to the United States?

Mr. JACOBS: Well, it is the law of gravitation, I suppose; the greater attracts the lesser.

Mr. MEIGHEN: They did not a while ago.

Mr. JACOBS: There never was such an exodus to the United States as there has been since the quota law was put into operation. So you have cause and effect side by side. Never before did they have such a law in the United States, and never before did we have so many Canadians migrating to that country. So it seems to me clear that this policy on the part of the United States is designed to drain this country of the best element that we have, and after a while Canada will be as bare of our native-born as Jacques Cartier found her in 1534.

Mr. MANION: Would not my hon. friend admit that if the larger proportion of those who are going to the United States could get work in Canada they would remain here?

Mr. JACOBS: They may and they may not. The spirit of adventure is strong in the young Anglo-Saxon. He likes to go abroad, to seek for adventure. He wants to know what the world is like before he settles down. And then distant hills look green: he thinks Detroit is a paradise, that Chicago is the door leading to paradise, and so on. Everything looks well to him until he arrives, and then he finds that things are not quite as he would like them to be, but he has cut the painter and he cannot go back. The point I am trying to make is this: This policy on the part of the United States is designed for the purpose of drawing from this country the best element we have. Why not allow naturalized foreign-born Canadians to go into the United States? Surely in every respect they are as good as the others. Suppose a man happens to have been born in Germany, or born in England, or born, if you will, in Scotland—and I think the hon. member for Brandon (Mr. Forke) will admit that you cannot get a higher type than the Scotch; and I am almost inclined to agree with him, that Scotchman or that German or that Englishman, under the present regulation, will have to be put on the quota provided for by the United States with regard to the country from which he came; he cannot go in as a native-born Canadian. Of course that keeps out all the other foreign-born Canadians, and as I have suggested, it is only a question of time when we will have only foreign-born in this country.

Mr. COOTE: May I ask a question? If Canada were to put on a quota law to reduce the number of foreign immigrants coming into this country, might not some of those native-born Canadians be inclined then to stay at home?

Mr. JACOBS: Would my hon. friend like to make the experiment?

Mr. COOTE: I would not object at all, I would be very much in favour of it.

Mr. JACOBS: I think my hon. friend will agree that these experiments in the matter of immigration are dangerous. They are not practical; they are not natural; they come to nothing. If you want immigration into this country, open the doors and let the people come in, but do not say, we do not want this man because his hair is red, or we do not want this man because his teeth are long—let them come in and let them work out their own destiny in this country. To pursue a different policy is a mistake, in my opinion. In the United States they have this quota law because, they say, "We have already too many people in our country. We have 115,000,000 and we do not want any more. We want to digest those we have; we want to make men out of them; we want to give them an opportunity to acquaint themselves with and adopt American ideals before we bring in any more."

Mr. COOTE: If that is the case, why does not the United States apply the quota law against us?

Mr. JACOBS: Because they want our few Canadian born citizens in their country—they want them. I suppose one of the reasons may be that we have such a large frontier, consisting of practically 4,000 miles, and it is almost impossible to keep them out—but that would apply to the foreign born as well. I am not in the secrets of the statesmen of the United States, but the fact remains that they will permit Canadian born citizens to go into their country without let or hindrance and with regard to others they are permitting only 2 per cent to go in. These are the bald facts.

Mr. MEIGHEN: May I ask the hon. member a question? If it is the attraction really of large population or the lure of distance that draws our people to the United States, why is it that they do not go to England?

Mr. JACOBS: Our people?

Mr. MEIGHEN: Yes.

Mr. ARCHAMBAULT: That is a far-fetched argument.

Mr. JACOBS: Well, I do not know why they do not go to England. Perhaps the fact that they would have to walk 3,000 miles across the Atlantic might have something to do with it—that may be one of the reasons. Perhaps we could send them on the right hon. gentleman's merchant marine or the Petersen ships.

Now what I desired to point out was that this law was designed to withdraw from this country the best element of our population. The United States are making a distinction between different types of British citizens in Canada. They pay no attention to the fact that a man who is a British citizen has his naturalization certificate. They say that is of no account with them; they treat that certificate as a scrap of paper. I would like to draw to the attention of the House something that happened in the United States in 1912. There was a treaty between the United States and Russia up to that time passed in 1832, under which the United States traded freely with Russia, and generally the two countries were on terms of international intimacy. A short time prior to 1912 the Russian government enacted a law which provided that people of Jewish persuasion, although holders of American naturalization certificates, would not be permitted to enter Russia. There was one exception—they allowed bankers to come in. Unless they were bankers they could not come in. President Taft took the matter up diplomatically at the time with the Russian government, pointing out that American citizens must all be treated alike, regardless of race or creed. The Russian government at that time and up to the revolution were the most reactionary in the world, and they refused to accept the views of President Taft. Accordingly the treaty was denounced, the President of the United States refusing to agree to any proposal under which a distinction would be made between different classes of American citizens. But now, in the year of grace, 1925, another rules in his place, and we have discrimination made with regard to Canada in the matter of race, in the matter of nationality, by the declaration that if you are not a Canadian-born citizen, whether you have a British naturalization certificate or not, you cannot go into that country. Well, I say that is a matter which ought to be treated diplomatically between this country and the United States. We ought to deal with the United States in the same way that they deal with us. We ought to make them recognize that they have duties as a great state to perform towards other states. We cannot very well object to their allowing our native born to go into their country, but we ought to say: If you are taking them in, you must take them all in or none.

5. p.m.

Mr. CANNON: Would that not increase the number of Canadians going to the United States?

Mr. JACOBS: It would—that is rather obvious. But the point of my argument is that if you increase the number going to the United States you probably would get fewer Canadian born to go, and they might be prepared over there to accept the number two article, that is, the foreign born. The result might be to leave a few of the Canadian born in this country; because I should hesitate to think that if I wanted to see a real Canadian I would have to go outside of Canada to see him.

Mr. STEWART (Leeds): May I ask the hon. member a question? Could he tell the House when the United States adopted this quota law?

Mr. JACOBS: There were two laws adopted. One was adopted some time during the war, fixing the quota at 3 per cent and the year as 1910. After that it was found not to work effectively enough. In July, 1924, it was reduced to 2 per cent.

Mr. MEIGHEN: The first was not applicable to Canada at all.

Mr. JACOBS: No, the first was not applicable to Canada at all.

Now, how have we dealt with the question of bringing people into the country in order to make good the loss which is constantly taking place by this migration? I am not a medical man and if I am wrong in my theory there are some hon. members who will check me up, but when patients suffer from hemorrhages the doctor prescribes some blood-producing food in order to make good the loss induced by the hemorrhage. I think my hon. friend from Fort William and Rainy River (Mr. Manion) remembers enough medicine to say whether that is true or not.

Mr. MANION: My hon. friend is almost as good a doctor as he is a lawyer.

Mr. JACOBS: I thank my hon. friend for the compliment. Now, how do we deal with the situation? We have certain rules, certain regulations, certain orders in council, with regard to the entry of immigrants into this country. There are three classes of people who can come into this country to-day and I will tell you what they are. One is the farmer class. There is no protection for the poor farmer; anyone can come in and enter into competition with him.

Some hon. MEMBERS: Shame.

Mr. JACOBS: It is a shame. The next class is the farm labourer; and the third class is the female domestic servant. Eliminating for the moment the farmer—even with all his faults we love him still; everyone likes the farmer, he works while we sleep—we now have two classes—farm hand and female domestic—the man servant and the maid servant; those are the only strangers that are permitted within our gates. We brought in 48,000 maid servants last year at the time when we were losing to the United States 200,000 Canadian-born, who could employ them. Why did we bring in 48,000 maid servants?

Mr. WARNER: Does the hon. member pretend to tell us that those people going to the United States were all able to employ other immigrants coming into this country?

Mr. JACOBS: Well, I shall have to look up the statistics on that question because I have not got the information. Now, why was there such a strong demand for domestic help and for farm hands last year in the country? I do not know that there was any particularly strong demand for them except that these two classes of labour are not unionized; the walking delegate, the president of the Trades and Labour Council, and the workers' associations are not interested in these classes of labour. So these two classes were permitted to come freely into the country.

Mr. EULER: Will the hon. gentleman permit me a question which is in the interest of accuracy? He states there are only three classes allowed to come in—the farmer, the farm labourer and the female domestic servant?

Mr. JACOBS: Yes.

Mr. EULER: Is it not a fact that, so far as the British Isles are concerned, there are no restrictions of any kind with regard to occupation?

Mr. JACOBS: Yes, that is true; but I was talking of Europe generally. A change was made last year with regard to people from the British Isles; they come in without that restriction. The streets of London—Trafalgar Square and the embankment—can be emptied into the Dominion and nothing will be said because those immigrants are British citizens —"civis Britannicus sum". But no other class can come in except under the restrictions I have stated. Not one person from the continent of Europe can enter without a permit unless he comes under one of the three classes mentioned. Now, why should we adopt the same attitude with regard to immigration that the United States has adopted? They say, "We have too many people in this country, we do not want any more." Surely we cannot urge that. The United States is suffering, if I may use another medical expression, from high blood pressure; we are suffering from pernicious anaemia. And yet we are taking the same medicine that they take. I made a calculation a few days ago in regard to what I thought would be a reasonable number of people who could be permitted to come into the country by this form of immigration, and I thought that about five per cent would be a reasonable number per annum—that is to say one hundred people in this country ought to be able to absorb five people. I know of instances in the past where we have been easily able to absorb five per cent.

Mr. CANNON: You grant quite a big appetite to anaemic people.

Mr. JACOBS: We have got to feed anaemic people with rich red food; and I

think five per cent is what they can absorb without getting dyspepsia. Five per cent is not an unreasonable number. Now, five per cent of the population we have here is 450,000 people a year. We got in last year 140,000 of the classes that I have referred to.

Mr. MEIGHEN: The year before last somewhat less.

Mr. JACOBS: Yes, I think somewhat less. Surely there must be something wrong in this system that the government has adopted. Why is it we are not permitted to have the open door in the matter of immigration into this country? I would think that was exactly what the railroads would want in order to make them pay. Perhaps I would not have advocated this drastic scheme for the amalgamation of the two lines under private ownership if we were getting people in who could support two or three lines. Sir Henry Thornton, speaking in Montreal the other day as president of the Canadian National Railways, said: "I would permit to come into this country every healthy Caucasian". And he added: "I believe that is what this country needs in order to make it prosperous." My right hon. friend the leader of the opposition (Mr. Meighen) is on record as having said that when his party comes into power he would permit every healthy white person to enter Canada without let or hindrance. That seems to be the view of public men throughout this land—to allow every person to come in here and work out his own destiny.

Mr. MEIGHEN: I have looked up the statement to which my hon. friend referred and there was a qualification as to being capable of carrying on a useful occupation in Canada.

Mr. JACOBS: Yes, I would assume that. The government said: We are over-industrialized; we want more farmers, we want less industrials. Whether it is because they expect continued support from our farmer friends in the future or not I cannot say. The fact remains, however, that they are rather favourable to the entry of farmers, and they set their face strongly against any movement to the cities. Now, last year when I was speaking on this very question I made the point—at least I strove to—that if you bring in a large number of people of one class, and you bring in none of another class, the tendency will be for a levelling-up in due course; that is to say if you send people on the farm and you find that there is a lack or dearth of people in the cities the attraction to the city by means of larger wages will denude the farms exactly in the same way as before those people came. You must have people in the cities to attend to the wants of the industrial class, and you must have people on the farms to attend to the needs of the agricultural class. But this lop-sided policy will never be a success. Immigration must proceed in natural channels and as soon as you begin to adopt artificial schemes and artificial tricks to accomplish this or that you are interfering with nature and bound to come a cropper. For the last seven or eight years in this House I have delivered my annual on the question of immigration, and as I have said before, I have been a voice crying in the wilderness. There is no one to give me support on this question in this Chamber. I am in a class by myself. I have promised my support to any party in this House or any party outside of the House who wants to get in, who will give their adhesion to a policy of this kind, and so far no one has come forward. The only member who at all approaches my view in this respect is my right hon. friend the leader of the opposition. I do not know whether it is a case of:

> The devil was sick, the devil a monk would be;
> The devil was well, the devil a monk was he.

The fact remains that when he was in power for a number of years nothing was done. The present rules and orders in council and regulations are those which were put into effect during his regime.

Mr. MEIGHEN: We were bringing our soldiers back, and we had to absorb our soldiers then.

Mr. JACOBS: I am glad my hon. friend has some pretext, but the bald fact remains that he was in power and could have done something in the matter of stimulating immigration, but did nothing. Now he is prepared to do something. Whatever man hath will he give for his political life. I am rather dubious of these death-bed repentances, although I have very little choice. I know that the party in power at the present time are not prepared to do anything, although I give them my support. I have threatened and urged and gone almost beyond the limits of endurance, but so far nothing has been done, and, so far as I can see, nothing is going to be done. Now what am I to do under the circumstances?

Mr. MEIGHEN: Come across.

Mr. ARCHAMBAULT: Keep going.

Mr. JACOBS: I have held out the olive branch to the hon. leader of the Progressive

party, (Mr. Forke). I am willing to follow him. I am willing to follow the Labour party, small though it be.

Mr. LAPOINTE: Or the Ginger group.

Mr. JACOBS: Yes, the Ginger group. I am willing even to take ginger.

Mr. WARNER: Go out and buy a farm.

Mr. JACOBS: So far nothing has been done. I warn my hon. friends on this side of the House that an election is impending, that there are large numbers of people in this country who think as I do on this question and they are going to give their support to the party who will promise the open door in the matter of immigration. As for me, I have always given my support, such as it was, to the party now in power, but this matter of immigration is one which transcends politics, political affiliations and party friendships. I always will while in this House advocate the open door in the matter of immigration, because I feel it is in the interests of the country that we should have a proper immigration policy. It is detrimental to the country to have the policy which is now in vogue, which has been handed down to us as a heritage from the right hon. leader of the opposition—a sort of Trojan horse. We have gone along and have not examined into it to see what it was. In view of the serious condition in which the country finds itself in regard to the railway problem, in view of the appalling debt which we have on our shoulders, in view of the emigration to the States, surely the government ought to get together to see if something cannot be done in order to stimulate immigration. Something should be done by those who are leading this country.

Mr. ARTHURS: My hon. friend says he is in favour of the open door. Does he mean exactly what he says?

Mr. JACOBS: I am in favour of the open door as expressed by the right hon. leader of the gentleman who has just spoken. I am in favour of allowing into the country every healthy white person who is able to make a living. Why should not such a man be allowed to come into the country? He is going to help pay our debts, and surely he is about the most welcome person we can get just now.

Mr. ARTHURS: Is the policy of the present government along that line?

Mr. JACOBS: The policy of the present government on immigration is like the wisdom of God, it surpasseth all understanding. Sir Henry Thornton in his annual report thought this matter of immigration very important. The policy of the government puts Sir Henry Thornton in a very awkward and anomalous position at the present moment. He is asked to run the railway and make it pay, and yet the door is closed to people who would come in and make it pay. He is asked, as my ancestors in Egypt were asked, to make bricks without straw, and he cannot do it. He has always been at variance with the government on this question. We have on the board of the Canadian National Railway, Mr. Tom Moore, president of Trades and Labour Councils, who has declared himself in favour of the policy, if I may call it such, which the government has now in force. He is against bringing into the country people who might compete with the people who pay their annual dues for his upkeep. The government, evidently feeling that he was a man after their own heart, promptly made him a director of the Canadian National Railways. Now he is advocating on his side keeping out all immigrants because they are inimical to the interests of organized labour of this country. On the other hand, we find Sir Henry Thornton makes the following statement:

> From time to time, and particularly during the past two years, reference has been made on various occasions to the need for immigration. The whole future of Canada and of the railway systems in Canada depends upon increased population and upon the increased traffic which would result therefrom. As compared with what might be done in order to bring about the desired result, the efforts made in the past might be termed somewhat spasmodic and unorganized. If there is to be real success the matter will have to be handled otherwise in the future. The Dominion as a whole, the provinces individually, the railways and all other business organizations are, each of them, interested. The problem is of sufficient magnitude and importance to justify in its solution the employment of the most capable and energetic minds in the Dominion. The investment of money on a larger scale than in the past will also be required.

I call particular attention to the final paragraph which says:

> The matter might be entrusted to a permanent commission constituted somewhat on the lines of the Board of Railway Commissioners, except that more commissioners would doubtless have to be appointed; and this Immigration Commission would have to be authorized to make expenditures under a general programme approved by parliament.

He says this matter is so important that a commission ought to be appointed to deal with the entire question, to make the expenditures and study the whole matter. He would favour a commission similar to the railway commission. At the present moment we have not even a standing committee in the House to deal with immigration. We have a standing committee to deal with onions and cabbages, and a standing commit-

tee to deal with fish, but when it comes to human beings, a matter in which every person in the country is interested, and with which the whole future of the country is concerned, we have nobody to whom we can refer any question at all. Surely this matter is of sufficient importance to provoke at least some interesting discussion in this House. For nineteen days, ever since this debate started, I have waited in vain to hear some public man rise in this chamber and advocate some kind of immigration policy. But nothing has been done, and feeling that nothing would be said during the entire debate, I felt it my duty to rise and make these remarks, some of which, to a certain extent, are distasteful to me to make.

Mr. COOTE: Would the hon. member be good enough to tell the House whether he has any work in Canada for the 450,000 people whom he thinks we could profitably bring in each year?

Mr. JACOBS: Work was found for the hon. member for Macleod when he came, was there not?

Mr. COOTE: I had the honour to be born in this country.

Mr. JACOBS: Work was found for the hon. member when he was born.

Mr. COOTE: I had to go out and look for a job.

Mr. JACOBS: The 450,000 people who should come in will be glad to go out and look for work too. This country has not been scratched yet with regard to its resources. We have the greatest natural resources in the world. We have power which, when developed, will produce, according to statistics, 41,000,000 horse-power. I notice my right hon. friend (Mr. Meighen) is a little surprised at the figure. I have the figures and I will go so far as to say that there is 41,200,000 horse-power waiting to be developed. We have the greatest mines in the world. We have a country larger than the United States. At the present time we have three human beings to every two square miles of territory, and yet my hon. friend says there would not be work found for 450,000 people.

Mr. SPENCER: If we have such great possibilities of work, why cannot we put the 60,000 unemployed at work now?

Mr. JACOBS: I will tell my hon. friend why. I do not know who those 60,000 people are, but I will venture to tell my hon. friend that most of those people are from the British Isles, gentlemen who largely do not want work. I do not say that is true of all of them, but it is true of a very large number. The hon. gentleman probably remembers the story of two Englishmen on the streets of Toronto. They were walking down Yonge street and one said to the other: "See how happy everybody looks in this city." The other said: "Why should they not be happy? Do we not own them?" That is the view the Englishman has of Canada. He will not work himself; he wants the other fellow to do the work. The men who work in this country are the men who come from the continent of Europe and not those who come from the streets of Glasgow, Liverpool and London. They are victims of the dole. They have never done any work or wanted to do it. They are wastrels, useless, and they never should be permitted to come into this country. I am speaking, of course, of a certain type. The House will not, for a moment, think I am making an attack on the British people. I say this is true of a certain type. If you will analyse each and every one of these cases, you will find that many had an opportunity to go to work, but would not go. We see them in our country and in other places. Every man who comes to this country and who is ready and willing to work, can find work to do. That is why those people who come from continental Europe, ignorant of our language and of our customs, are able to find work. They are willing to put their hands to anything. That is why they are a better element in the community than those whose only qualification is that they can talk English and think they own this country.

Mr. SPEAKMAN: Does my hon. friend contend that the same rule applies to the Canadian-born who, as the hon. member said, were leaving Canada in large numbers and who, as he himself stated, were a better class of citizens than the foreigners we might bring in

Mr. JACOBS: I do not know whether my hon. friend was here when I said that those Canadian-born people are attracted by larger wages in the United States and by the lure of the gas light, the moving picture houses and everything that is implied in a large city in the United States. Many of them go off the farms. I venture to say that, perhaps, 50 per cent of those people who have gone to the United States have gone off the farms in order to improve their condition in that country, not because they could not get a living

here. I will not believe work cannot be got in Canada, a country of 3,000,000 square miles, larger than the United States, and with 9,000,000 people. It is absurd to think people cannot get work here. In Montreal I think one man in a thousand was out of work during the winter which has just passed. That is a negligible quantity. There is plenty of work for people to do.

Mr. MEIGHEN: Does the hon. member mean to say that only five or six or seven hundred people were out of work in Montreal?

Mr. JACOBS: At most, only one person out of one thousand people was out of work in Montreal at any one time.

Mr. MEIGHEN: Where did the hon. gentleman get those figures?

Mr. JACOBS: I got them from a source which, perhaps, the right hon. gentleman will not think accurate, the Montreal Star. I am afraid I have already taken up too much of the time of this House and there is nothing more that I wish to say. I did not expect to speak for more than fifteen or twenty minutes, but it is only because I had something to say that I rose to speak, strange to say. I trust, however, my views, such as they are, will be taken into the serious consideration of the gentlemen who now form the government of Canada. I wish to make no threats, to utter no warnings; but I cannot give my support to any party in this House that is not prepared to accept my policy as outlined to-day with regard to immigration, and I am prepared to give my support to any party in this House that is ready to adopt this policy.

Mr. PRITCHARD: I do not know, but I am pretty nearly a convert to my hon. friend's idea of immigration. I would like him to answer one question in connection with it before I decide to embark on the idea. How is he going to overcome the difficulty that arises when the cities have a fixed price for carrying out the services of their people and when, in all the rural districts of this country, we have to compete for labour and whatever our products will bring? How are you going to hold people in this vast area of country where we have unorganized labour, when the cities are holding out inducements of big pay and short hours? Can the hon. member suggest how to overcome that difficulty?

Mr. JACOBS: I am afraid I have not clearly understood my hon. friend. Would he mind repeating his question?

Mr. PRITCHARD: Organized labour and the government are fixing remuneration in the cities with big pay and short hours for the people who work there. In the rural districts where we have not organized labour, even the government refuses to pay to people working there the same remuneration it pays to people in the cities. How are you going to prevent immigrants from going where they can get short hours and big pay?

Mr. JACOBS: How are you going to prevent a farmer from selling his farm, or a hired man from going to the city? They are going there now to take the place of others. The high wages are an attraction to them.

Mr. FORKE: That is what the hon. member said. How are you going to stop that?

Mr. JACOBS: My theory was to allow the people to go wherever they want to go. If they want to go on the farms, let them go there; if they want to go to the cities, let them go there. If they find they cannot make a living in the cities, they will wander on to the farms. If they find they are not fitted for farming, they will go elsewhere. We have a continent to fill up. Surely it offers possibilities to every person who comes in. The man who is not a success as a farmer may become a member of parliament.

Mr. McDONALD (Timiskaming): What does this new party stand for? Does it want an overflow of population into this country for no other reason, as it seems to me, than to have a surplus of labour with a view to cutting down wages? And will that party be called the Jacobs party?

Mr. JACOBS: The original Jacob had only twelve sons and he went to Egypt and was a success there.

Mr. O. R. GOULD (Assiniboia): I wish to join with hon. gentlemen and with the Acting Minister of Finance (Mr. Robb) in expressing my regret at the absence through illness of the Minister of Finance (Mr. Fielding). And I think that one new note may be introduced at this time when I say that I extend to you, Mr. Speaker, my sympathy in that the House has so long refrained from allowing you to resolve it into committee of Ways and Means. Largely that fault must be laid at the door of the government. During the past week they have been revivified and have now decided to enter into the full spirit of debate. Considerable difference is evident now in the demeanour of the House and in its activities compared with what was apparent earlier in the session when we were advised, very nearly twice a day by the Prime Minister (Mr. Mackenzie King), that we

should do all we could to expedite the business of parliament.

I wish first of all to offer a remark or two with regard to the address delivered yesterday afternoon by the hon. member for St. Lawrence-St. George (Mr. Marler). That very, very dry address was delivered ostensibly for the purpose, or at least for the intended purpose, of clarifying the budget speech of the Acting Minister of Finance, and the hon. member this year appears in a different role from the one he played last year. Last year he was critical of the government and denounced them roundly because they did not make a clear exposition of the financial condition of Canada. I have here the volume of Hansard containing the remarks of the hon. gentleman at that time, and perhaps it would show better than anything else the changed attitude of the hon. gentleman if I read a few extracts from that speech of his. As I say, he was critical of the government last year; yesterday he appeared in the role of an apologist for them. He seemed to labour a point yesterday. And, in passing, let me say that I hope the fortunes of war will never permit him to have an opportunity of placing figures before this parliament in an official capacity for the House to digest, for his explanation yesterday was more confounded, it was ten times more complicated, when he got through, than was the original state of affairs which he undertook to elucidate. It seems to me that the hon. gentleman might have saved a good deal of time and might have explained the situation fully by stating that the executive of the government, who usually prepare the budget speech, have brought down this year a form of statement similar to that which has been followed in connection with the last seven budget speeches to which he referred, as submitted by the four preceding ministers of finance of Canada. That would have been an ample explanation of his point and it would have obviated a speech of two and a half hours. Let me now refer the House to page 1571 of Hansard of last year containing the remarks of the hon. gentleman at that time:

> As a matter of fact, to give the people the idea that the day of abounding surpluses has arrived is merely to encourage spending and a lack of economy, and I therefore ask, Sir, with all due respect, if we do give the people that idea, is it the right idea to put forward? Why should we not, as a matter of fact, take the people entirely into our confidence? Why should we not exhibit to them a simple statement of our financial affairs in language which they can all understand?

Further down the page the hon. member is reported thus:

> [Mr. Gould.]
>
> I know that a certain part of the railway debt is at present merged in the consolidated debt; other parts are not so merged. But it does not matter under what account the parts not so merged are taken, the parts, wherever they may be, constitute the total debt of the Dominion of Canada. In other words, we cannot increase our railway debt, without increasing our total debt.

That is the attitude which the critics of the government this year have universally taken; it is the same attitude which the hon. member for St. Lawrence-St. George took last year in his speech on the budget. This year the hon. gentleman has altered his position. There is another extract from the hon. gentleman's speech to which I may refer the House:

> This government, as I have stated before and can only repeat to-day, has had to bear great expenditures, partly due to the war and partly due to causes over which they have absolutely no control. But what I venture to ask,—and I do it with all respect—is: Why try to place before the public a difficult system of accounting which the public itself cannot be expected to understand? Why not place before the public the actual condition of receipts and expenditures as they may occur from year to year, taking the public into our confidence as questions arise, and asking the public to assist us in governing this country which is so exceedingly difficult to govern?

If hon. gentlemen wish to follow Hansard of last year further they will find in the hon. gentleman's speech a substantial endorsation of the comment I have made, that whereas he appeared as a critic of the government at that time he now comes forward as an apologist in their behalf.

I must say that I have never approached the task of making a speech on the budget in this House with so little cheer or with so little of what one might call vim as I do this year. And this is due to the fact that the budget on this occasion necessitates vain repetition; all the scoldings of the past must be reiterated and all the advice which hon. members have tendered the government from time to time must be offered again. It becomes discouraging therefore when individual members of parliament who have received what they regard as matured advice from their constituents find this advice discarded by the government, more particularly when gentlemen who repose in the seats of power were elected to office on the strength of the very things which their critics now advocate. I wish to refer to the visit which the Prime Minister (Mr. Mackenzie King) and his party made to western Canada last fall. I took the pleasurable opportunity of attending one of his meetings, although I had to drive the car a hundred miles either way to be present, seeing that our railway facilities are not adequate enough to enable us to take ad-

vantage of such occasions. We might hope for better facilities in western Canada, for at such times we have to suffer inconveniences, driving our cars hundreds of miles, to do honour to the Prime Minister of Canada. The burden of the right hon. gentleman's plea was that the people of the west had made a mistake in not having sent to Ottawa representatives who could sit in the party caucus and thereby make known to the government what their wants were. The Prime Minister does not understand the spirit of the western people. There was very little applause when he made that statement, and it was urged continuously.

The people of the west are not to be caught with that sort of bait. The government know full well that after considerable discussion those pepole had prepared a platform which they considered a new national policy for the Dominion of Canada. That was known as the platform of the Canadian Council of Agriculture, a council which did represent people from all parts of Canada. Later on the title was changed to "The Farmers' Platform." That was a change to which I have never subscribed, and it has given much opportunity for critics of the new national policy, as we designed it to be, to misrepresent our movement as a class movement. Now I want to draw attention to this fact to prove that the people do not need to have their representatives in a government caucus or any other party caucus to make known what they are asking for, because in 1916 our platform was published, and in 1917 we find that the party now in power made another unsuccessful attempt at the polls, and then it was that they appeared to suddenly realize that a national convention was necessary. It was held in this city in 1919, and a platform was evolved which bears many close resemblances to the platform of the Canadian Council of Agriculture. Evidently someone was aware either of what the people required or that another platform had been built which would appeal to the country. I have heard, and hon. gentlemen here have heard it declared a thousand times, that there is similarity in the two platforms, that there is no reason why the Progressive party should be distinct and apart from the Liberal party. Well, in so far as their platforms go I admit that they have much in common. But while I admit that, I have also to draw the attention of the House and the country to the fact that we were the originators of the very meritorious platform of the Canadian Council of Agriculture.

That is my first proof that the people do not need to be represented in a party caucus to make known their wishes. My second proof is this, and I might be allowed to illustrate it. We of western Canada look upon the party politics of the Maritime provinces almost as if it was a disease. I believe that no more bitter political fights have ever been waged in Canada than those which have characterized elections in the Maritime provinces. Even since this parliament was brought into being we have heard many times about the "solid sixteen" from Nova Scotia, and we know something of the partisan spirit that distinguishes the politics of the Maritimes. I do not say that harshly, but the fact that the "solid sixteen" have sat in the party caucuses continuously and the fact that we have heard louder murmurings from the Maritimes during the past two or three years than from any other part of Canada shows the futility of the party caucus to satisfy the wants of the people. If representation in a party caucus is a means whereby remedies may be initiated, why do we hear these constant murmurings from the Maritime provinces? I have thought that hon. members from the Maritime provinces, as representing the needs and rights of their constituents, have so much in common with the representatives of the people of western Canada, that if they would stand in their places and openly denounce and vote against the administration which they now support, their constituents in the Maritimes would rally to their support. And I am not speaking now of any one particular party; my remarks are applicable to the two old parties. I am sure the people down there would back up any of their representatives who would take that course. It is my opinion that the people of the Maritime provinces and the people of the west have so much in common that, combined, we could make industrial Canada sit up and take notice.

I give it again, Sir, as my opinion that industrial Canada has been the cause of three-fourths of the political and economic unrest in the Dominion since 1874. We are paying a huge price—we always have—for the erection and the continuation of industrial Canada. We are asked to continue it now. If we had the condition which I have pictured, we would have factories going to the coal areas of Nova Scotia and of Alberta. Instead of that, under our present policy we subsidize the coal barons—and tax ourselves—to take coal to the industrial area, and in turn that industrial area manufactures products upon which we protect them and again fine our-

selves. In a word, under our present policy we levy a double fine upon the people. As I said before, we should force these factories to locate in our coal fields rather than penalize ourselves by subsidizing them to bring coal to the industrial area. By so doing they would have a growing market in western Canada for agricultural implements, and we would save freight both on coal and on implements. This is applicable to the Maritime provinces, it is likewise applicable to western Canada. Perhaps our condition at the present time is a judgment upon us because of our blind partisan attitude in the past.

I wish to refer to the hon. member for Brome (Mr. McMaster), not in any unkind spirit at all, and I regret that he is not in his seat. There is a personal something that binds the hon. member for Brome and the member for Assiniboia (Mr. Gould) in a tie for friendship. It commenced in 1919, when he, accompanied by another hon. member, visited the electoral district of Assiniboia, and took an active part in a certain by-election. It was at that time that I made the hon. gentleman's acquaintance. Fresh from the convention halls of the city of Ottawa, where the Liberal platform of 1919 was framed and adopted, he proclaimed to the people the following: Here is our new platform, here is the Liberal party's pledge to put this platform into execution, all you need do is to entrust to them the reins of office, and I pledge my word that that platform will be put into effect; you do not need any other representative than a Liberal. Well, the reply of the people of Assiniboia was that they had been deceived before, and they did not propose to be deceived again. I would ask the hon. member for Brome, who was right? In the course of a very able address delivered by the hon. member some few nights ago, he laid down the policies which he thought Canada should follow. I am in accord with him very near to the limit, but when he added that he could not oppose the budget because he feared the government would be defeated, I felt I must part company with him.

We have contended, Sir, many, many times —and we would not make the contention if we did not have ample justification for it— that there is not the difference, really, of the snap of the fingers between the two old political parties of this country, the Liberals and the Conservatives. This view is confirmed in the policies of both parties—not as enunciated but as practised. A proposal which is before the House and the country to-day is another illustration of the similarity of our two old friends—I refer to the proposed tariff board. I can quite believe that if this becomes an issue they will quarrel and squabble over it for weeks in this House as to who shall constitute that tariff board, but the main principle of the board is already in the minds of the government as it is also in the minds of the official opposition. The right hon. leader of the opposition (Mr. Meighen) has his resolution on the order paper, and he proclaims that this tariff board is going to be erected to look into the evils that beset us. Before I make a few remarks upon that, I want to refer to a conclusion I reached after reading an article in the Financial Post of April 17 in which the experiences are given of a gentleman named Mr. Belding, who had been delegated by certain newspapers in the province of New Brunswick to go to western Canada and declare unto them the difficulties under which the Maritimes were labouring. As he expressed it himself, he went forth proclaiming the policies of the Maritimes and the things that would benefit them, but he came back making a different kind of speech. Summing up, he stated that he thought the solution for the economic difficulties under which Canada was labouring might be found if the country were divided into four zones and each of these zones sent representatives to a conference and there, through compromise and otherwise, an endeavour were made to reach a solution that would be acceptable to all parts of the country. That, in my opinion, would be much better than a tariff board; it would help to solve the problem. I do not wholly agree with Mr. Belding's conclusions. He says that the various zones should be represented by delegates from the boards of trade of all the zones referred to. I wondered as I read the article whether he knew that there was an industry in Canada called agriculture, which represents at least fifty-two per cent of the population and seventy-five per cent of the created wealth of the country. I wondered why he should confine it to boards of trade; his urban mind seemed to think there was nothing else in Canada but boards of trade. Agriculture has large organizations representative of that phase of our national life, organizations that are paying attention as best they can to the economic difficulties of Canada. I do not condemn the principle that Mr. Belding has advanced, but I do want him to appreciate the fact that agriculture will not stand aside and allow boards of trade to dictate a policy for the Dominion of Canada.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. GOULD: Mr. Speaker, when the House rose at six o'clock I had made the assertion that there was scarcely any difference between the practised policies of the two old parties, and I had drawn forth another proof to add to the many we already have in support of that assertion. I had referred to the proposed tariff board which, in name at least is endorsed by both the government and the official opposition. However, I shall say something upon that point a little later and refer in the meantime to the panacea advertised as likely to effect improvement by the Conservatives when in opposition. Although I have criticized the pre-election cries of the Liberal party I shall endeavour to show, in like manner, that we should not give too much credit to the pre-election pledges or promises of the Conservatives. It is rather humorous, Sir, when one recollects the many things that have been promised and stated by our Conservative friends. Even at the present time they contend that we need a high tariff, they are the proponents of a high tariff policy, the only policy, in their estimation, that is good for the Dominion. And yet—and that is the point I wish to emphasize—the propaganda they used during the 1921 election, when they were conducting a campaign in the agricultural areas, was of a different character. I have as my authority the hand-book of the National Liberal-Conservative party at that time, and it shows that although a high tariff party, they actually endeavoured to obtain credit and support for having reduced the tariff to a greater extent than the Liberals. I have the figures cited in that hand-book and propose to read them. According to that publication tariff reductions—on the strength of which a propaganda was conducted by the Conservative party for popular support—were made in 1919, as follows, the reductions applying particularly to agricultural implements:

On cultivators, harrows, horse rakes, seed drills, manure spreaders, weeders and complete parts thereof, duty reduced from 27½ to 15 per cent.

On ploughs and complete parts thereof, windmills and complete parts thereof, portable engines, traction engines for farm purposes, horse-powers, threshing machines, separators and appliances thereof, duty reduced from 27½ to 17½ per cent.

On hay loaders, potato diggers, fodder or feed cutters, grain crushers, fanning mills, hay tedders, farm or field rollers, post-hole diggers, snaths and farm wagons, duty reduced from 32½ per cent to 20 per cent.

It is therefore true that we might charge the Conservatives with doing exactly the opposite to what they promised to do. In the light of this evidence, and remembering the persistent cry that our Conservative friends have raised throughout Canada that factories had been closed owing to the picayune—I call it picayune—or paltry reductions made in the duty upon agricultural implements last year, are we not justified in saying that the Conservative party are just as responsible as the Liberals for closed factories and unemployment? Is not such a cry, if there is any justification for that cry, just as well grounded in the case of the Conservatives as it is in the case of the Liberals? I have quoted the facts and figures from their own campaign book, and when the Conservatives charge that factories have been closed, I ask them to remember that according to their own claim they lowered the duties on agricultural implements to a greater extent than did the Liberals.

Mr. ARTHURS: Is that true?

Mr. GOULD: I have read statements from the National Liberal-Conservative hand-book of 1921, and I do not think the hon. gentleman will repudiate that authority.

Mr. ARTHURS: As a matter of fact, did we not make a reduction?

Mr. GOULD: This book states so, and the argument I am trying to make is that when our Conservative friends charge our Liberal friends with being the cause of the closing down of the factories and the men being out of work as a result of the paltry reductions of last year, why did they not say, "We reduced the tariff to a greater extent and consequently we must also have closed the factories and put men out of work"?

Mr. MANION: The charge was not so much in regard to reduction as in regard to the instability that these reductions brought about.

Mr. GOULD: In reply to my hon. friend from Fort William and Rainy River (Mr. Manion) I would say that if the paltry tariff reductions the government made in the tariff brought about such disastrous results, then the Conservatives should have brought about a more serious condition, because they made greater tariff reductions, although they claimed to be a high tariff party.

Mr. ARTHURS: My hon. friend is wrong so far as I or this party are concerned. We never advertised that we were going to introduce a high tariff at all.

Mr. GOULD: Well, that is all right. I will accept the statement of the hon. gentleman, if that is satisfactory. But the people of Canada believed that my hon. friends ad-

vertised it in that way, and I think if hon. members will read the propaganda which follows in the same Liberal-Conservative handbook, they will see that it is advocated there, when they are appealing to the different classes of people, particularly in the urban centres.

I wish to refer to the resolution which the right hon. leader of the opposition (Mr. Meighen) has placed upon the order paper, which he has not had an opportunity to debate. There hon. members will find the argument for a consistent and even a higher tariff. The inference is given that the tariff has to be raised to give more work and more employment for the workman. We want to have a policy in this country, whether it is a Liberal or Conservative policy, that the people can depend upon. If you elect one party which profess a lower tariff, let them carry out that policy and give a lower tariff.

Mr. MANION: I do not remember the handbook my hon. friend speaks of, but I presume what the Conservative party were setting forth at that time was what they had done for the farming community in this country, and were not advocating a lower tariff. They were pointing out that they had made cuts in agricultural implements which should satisfy the farmer, but they got very little support from the farmers of the prairie provinces.

Mr. GOULD: In reply to my hon. friend again, I was not endeavouring to prove the merits of the high or the low tariff at the present time. I was trying to prove the inconsistencies of the two old political parties in this country, and also endeavouring to prove that there is such a similarity in practice that the people do not need to take their assertions very seriously.

Now there are two points brought forth in the proposed resolution of the right hon. leader of the opposition, and the first one is that the farmer is to be at last included in the principle of protection. Always in the past those who talked protection aimed at the farmer as a victim. At the present time, since the farmer has risen to his feet and protests because he has been made in the past the victim, this sop is held out to him in the hope that it will beguile him further. Let me assure hon. members that he is not going to be beguiled, because he realizes that there is only a certain amount of wealth created and although it is said to be distributed equally, he knows that those who have been the recipients of special favours will continue to receive the benefit and the farmer will get the small share in the end.

The second point is this, that the resolution proposes that a commission shall find out and report back to the government whenever abuse is made of the taxes. That is very enlightening, because we had all been given to understand—and I am sure the speeches that have been made in this chamber will bear me out in that statement—that it never was considered that those industries that had been the recipients of special privileges ever took advantage of that fact or did a wrong thing. If the right hon. leader of the opposition were in his place I should like to ask him wherein and when he found that any of these industries had taken advantage of the tariff. That is information we have had ever since we have been purchasing implements, and yet the right hon. leader of the opposition, the champion of higher protection in this country, has just proclaimed to the world that at last he has found out that some of these industries have been taking advantage of the tariff. It is very enlightening indeed.

Now, Sir, I give it as my opinion that if a tariff commission were appointed to look into the merits of the case, I would only support it on the understanding—and it is a theory which I have advanced at least half a dozen times in this chamber—that the commission should be empowered to go in and ascertain the merits of the institution which asks for protection. That is to say, a commission should be delegated or empowered to go to these organizations who think they have a right to have this special privilege, who have accepted it in the past, who have been guilty of malpractices as the right hon. leader of the opposition states in his resolution, and investigate these concerns. That is the first and the only thing I would delegate to them and they should be asked to bring in a report to this House. I should want to know how the physical value of their plants compared with the fictitious values which we have been led to believe they possess. At least, if the values were fictitious we would find it out. They would report to the House and we could apply a scientific adjustment to the statements made in the report and find out how they stood. We have had our doubts in the past and made representations, and yet no government in Canada from the time protection was first imposed has had the courage to appoint a commission and send that commission to the industries to ascertain from them the reasons why they asked for this protection. It has been very interesting, Mr. Speaker, from time to time to hear the gratuitous advice that has been tendered by the proponents of high protection,

yea, even to the Mother Country. Hon. gentlemen can bear me out in this, that sometimes it has almost reached the point where they would ridicule the fiscal policy of the Mother Country. With that in view, I made a clipping from a paper, and I want our Conservative friends to pay particular attention to this, because these words come from the mouth of a member of the British House of Commons. The report is headed, "The path of protection," it is applicable to my argument, it expresses exactly my views and the views of scores of thousands of the workers of Canada and it is just as applicable to the people of Canada as to any country in the world where the principle of protection is in force. These remarks were made by Captain Wedgewood Benn, D.S.O., Liberal in the British House of Commons:

The Path of Protection

Captain Wedgwood Benn, D.S.O., Liberal, in British House of Commons:

I am speaking about the lobbies of this House, and I am referring to the change that has come over our political campaigns in connection with this sort of debate and this sort of duty. We are constantly being pressed by people who come here not for grievances to be redressed, not for some public interest to be attended to, but because they want something done which will put money in their pockets. Men who in the old days thought of nothing but their customers and pleasing their customers think now of nothing but wheedling members of Parliament and nobbling Ministers. People, who in the old days thought that the secret of success was to give better value for money, say to-day, "If we can get a tariff, better value is of no account." Their object is not to promote the public interest but to manipulate divisions in the House of Commons.

That is a complete change, and a very evil feature. I cannot summarize this point better than in the words of a Tory of Tories, the Noble Lord who sits for the University of Oxford (Lord Hugh Cecil), who said: "Protection will lead to the corruption of our public life as it has led to the corruption of the life of other countries The purity of our public life is the lifeblood of Europe. If Conservatives go in for Protection, I will have nothing to do with such an apostate party. If they determine to travel down the path of dishonor and Imperial ruin, I will wash my hands clean of so great a crime.

That is the condemnation. That is the answer to hon. members who may think it their right or duty to challenge the fiscal policy of Great Britain.

A tariff has the same effect as a depreciated currency. That is to say, if you impose a 10 per cent tariff tax, the purchasing power of the individual is decreased by that 10 per cent. If you impose a 20 per cent tariff tax, the purchasing power of the individual is decreased exactly one-fifth. If you impose a 25 per cent tariff tax, the purchasing power of the individual is decreased one-quarter. We have had a condition similar to that in Canada, and it means one-quarter less purchasing power or one-quarter less need for the beneficiary to exert himself. Let me illustrate and this may be used in reply to the charges of our hon. friends that men are out of work. About twelve years ago—and I use my own case as an illustration,—I purchased a Massey-Harris five-foot mower for the sum of $65, giving my note for it. It was a good machine and I still have it working on my farm. Last year when I went home I required another mower, and I went to the Hassey-Harris agent and said: "I want another five-foot mower. What is the price?" He told me it was $112. I said: "But I have just returned from Ottawa and we had a cut in the tariff on these mowers this year". He said: "I will look that up". In the tariff and the sales tax the reduction was $5 and I paid him $107 cash for the mower, taking it home. I had saved $5, but I turned around and said: "Now I want a scrub scythe", and I got it for $5. Did the worker have any less work to do because I bought two implements with the same money, or would he have had less had I just purchased one? That is by way of illustration.

I propose now to direct the attention of the House to the practical views which reveal themselves in the budget. The first thing which stands out so that he who reads may understand, is the fact that we have a national debt of $2,431,487,112.88. In conversation with a gentleman to-day I was using the figure of 9,700,000 as the population of Canada. He said: "Man, you are away out. I would not mind betting, if it could be proved, that the population of Canada is not more than 7,000,000 to-day." The item, however, was made up as of March 31, 1924, of $2,417,783,274.88, to which is added in 1924, according to the statement of the Acting Minister of Finance (Mr. Robb), a deficit of $13,703,838, making the total which I gave before. Taking the population at 9,700,000 souls, we find that makes a per capita debt of $2,506.70. I have an object in giving those figures, and that is to bring home to the people of Canada, if I possibly can, the exact position by which the are surrounded, the burden that they have upon their shoulders. Possibly, this will be an incentive to the people to pay more attention to the affairs of state and to see that real cause shall be shown before any individual shall come back to this House. An average family of five would be assuming a burden of federal debt of $12,533.50; or a family of nine, that is seven children and the two parents—and I know a home not far from mine where there are nine—would be assuming a burden of federal debt of

$22,560.30. These are practical figures that the layman can understand. The charge cannot be placed against them that was made across the floor of this House in regard to the budget.

Mr. ARTHURS: Does the hon. gentleman seriously contend that, on the basis of these figures, the per capita is $2,000?

Mr. GOULD: Yes, $2,506.70 per capita.

Mr. MANION: It is just ten times too much.

Mr. GOULD: This is the capitalization.

Mr. BENOIT: Divide it by ten.

Mr. MANION: I hope my hon. friend is closer to the truth in the remarks he made about the Conservative party.

Mr. GOULD: In regard to the statements I made as to the Conservative party, I do not wish Hansard to print the whole proof I have in my hand. It would be rather condemnatory, but it would be the truth.

Mr. PUTNAM: What is the date of their platform?

Mr. GOULD: Volume No. 2, published by the National Liberal-Conservative party, publicity committee, October 1921, the last election.

Mr. ARTHURS: The hon. member has not answered my question. Does he seriously say that the federal debt is $2,000 per capita?

Mr. GOULD: I would not say now and I do not think I could compute it right here as I stand. My leader tells me that it amounts to about $250. I have a zero added, I think. I want to point out, however, that no matter what it is, the burden is big, and my idea in bringing the matter forward is to show to the people what burden they are carrying. Further, I show to them that they have this burden placed upon them not by the party we call the Progressive party of Canada, but by the Liberal or the Conservative party, or by both, who to-day extend their chests, and say: Here, people, you are in the slough of despond, but look upon us as your saviour and accept our policies.

Mr. MACDONALD (Pictou): Does my hon. friend know that three-quarters of that debt was due to the war?

Mr. GOULD: Yes.

Mr. MACDONALD (Pictou): Then, why blame it on our political party?

Mr. GOULD: I am aware of that and I will prove later that a great proportion of it was due to expenditures on railways which were built thirty years ahead of their time. That is the maladministration to which I refer and it is all included in the national debt. It is absolutely useless to allow the present administration to attempt to solve the problem or to relieve us of the condition which they were in part responsible for bringing upon us. The average taxpayer, reading from the figures of the Acting Minister of Finance, will also see that there is a Canadian railway debt of $582,000,000. That is a debt that is due to this country, including unpaid interest amounting to $130,000,000, and plus loans in 1924 of $118,000,000, making a total of $830,000,000.

Mr. MACDONALD (Pictou): The hon. member does not mean to say that this government inaugurated the policy of consolidating the three systems? The Liberal party opposed that policy in 1917.

Mr. GOULD: I am not saying that, nor have I made any reference to that point. But you cannot determine and attribute the extent of blame for which the two political parties are respectively responsible.

Mr. MACDONALD (Pictou): But my hon. friend said it was all due to this government.

Mr. GOULD: No, I say that the Acting Minister of Finance brought down figures to show that there was a deficit of $830,000,000; that is to say, we have a total amount involved in connection with the Canadian National Railways of over $2,000,000,000. But while we have lines of steel and the rolling stock of subsidiary concerns to offset that, the government in my opinion brings down a statement showing a total slippage in earnings of $830,000,000.

Mr. HOCKEN: Does the hon. gentleman think that it was a mistaken policy to take over and consolidate these railways?

Mr. GOULD: No, not at all. Indeed, as far back as 1910 and 1911 the whole cry in western Canada was that such a consolidation was bound to come about because the people of the west were strongly condemning the principles that had obtained in connection with our railway policies in Canada up to that time. Hon. gentlemen in this House will bear me out that the firm opinion in western Canada at that time was that the principle of national ownership of our railways would inevitably be recognized and adopted for the reason that the method that

had been pursued by the political parties had so far been disadvantageous to the country. Now that the hon. gentleman has put that question to me I want to assure him that I do not for a moment attack the principle of government ownership of our railways. I will say however that this principle has not been really tried in Canada; and that statement might be advanced by way of reply to the hon. member who spoke this afternoon (Mr. Jacobs). That hon. gentlemen condemns the principle of national ownership, but I repeat that it has never been fairly tried in this country, and I honestly believe that if it were given a reasonable test on an equal basis with the Canadian Pacific Railway it would prove that the Canadian National railway system could be just as successfully operated. As a matter of fact, it seems to me that to-day, with the heavy extra burden which the Canadian National Railways must carry, they are making a wonderful showing and are compelling the Canadian Pacific to do better than perhaps they would otherwise do.

How we are to save Canada in the present crisis is perhaps a difficult question to settle. The present government is trying to save it by scrapping its 1919 platform, while our Conservative friends propose to put the country on its feet by making the cost of living higher than it is at the present time.

Mr. HOCKEN: We propose to make employment more general.

Mr. GOULD: I think the hon. gentleman must have been out of his seat when I gave figures to prove that the Conservative party had reduced the duty on agricultural implements to a greater extent than the Liberal party had done, so that the cry of closed factories was more applicable as against our Conservative friends than as against the Liberals. Now, there is another thought that occurs to me in connection with our railways, and that is that every dollar of their capitalization can be shown on paper. Such is not the case with the Canadian Pacific Railway. When making comparisons we must bear in mind that in cash, in dollars and cents, the capitalization of our National Railways can all be set down in black and white; on the other hand, there cannot be shown on paper everything that the Canadian Pacific Railway has received. For instance, the lands given to the Canadian Pacific were acquired by that company at a dollar an acre, and they say that this land to-day is worth fifteen, eighteen, twenty-five and thirty dollars, these enchanced values being attributable to the activities of the men who had gone in and settled on the land along the lines of the railway. These men were pioneer settlers, and hon. gentlemen must remember that they had to assess themselves municipally to build roads past the vacant sections of land which the Canadian Pacific Railway held out of use. These vacant sections were between the farms and the school, the church and the town generally and they were the breeding place of everything injurious to agriculture. And besides that they were exempt from taxation. Our Conservative friends must not forget that they are responsible for granting the charter to the Canadian Pacific Railway, and while I do not blame them for doing that I think at the same time that more consideration should have been given the people. If you take into consideration the amount which the people who settled around these vacant lands of the railway were obliged to assess themselves municipally to make improvements and the loss to the agriculturist because of the destructive pests these vacant lands harbored you will find that all that the Canadian Pacific Railway received, indirectly as well as directly, does not appear on paper, and if all these things were shown on paper in the case of the Canadian Pacific, even the present capitalization of the Canadian National would sink into insignificance in comparison.

Last year in the vote on the budget the government received a majority of 112. If the hon. member for West Calgary (Mr. Shaw) were in his seat I would ask him to predict the majority on this occasion. The hon. member is the only prophet I know of in this House and I am sure that if he knew he would tell me; had he known I was going to speak he might have assembled his snakes and toads, with the curl of smoke, and told me beforehand what the majority might be. However, if I might venture a prediction on my own account, I would suggest that the majority this year will be much less; let us say that it will be approximately one-fifth of what it was last year. And even if the government secures one-fifth of the majority it got last year I argue that this will represent a decline in prestige to that extent owing to failure to implement its pledges. This government was elected on a platform similar to that of the Canadian Council of Agriculture which preceded it by three years. I do not want that point missed. The group opposite, elected on a platform similar to that of the Canadian Council of Agriculture, added to the members on this side who support the same policy, represent three-fourths of the membership of the House of Commons,

and that I contend would fairly reflect the opinion of the people of Canada, particularly concerning tariff matters. But although the government came into office on the strength of those pledges, they have now taken fright at the hue and cry of industrial Canada; because of some picayune reductions on implements last year fear has driven the administration into retreat. They are poor champions of their policy if they allow an industrial area in Canada, representing only approximately one-fourth of the elected members of the House of Commons, to scare them into the position which we find them holding to-day. They are absolutely afraid to step out and carry out any of the planks of their platform.

Now, Sir, I want to refer to one or two things which appear in the budget, and particularly to the tax that is proposed on a certain document which, though not a cheque, yet represents a man's ability to go to the bank and get money. Representations have been made to the government from the floor that an enormity is being practised upon the individual who ships cream. Let me illustrate. A man who is established in the dairy business with a herd of twenty or thirty cows will get quite a large cheque for the cream that he ships to the factory, and the two cent stamp does not matter very much to him; but the poor individual who is starting in the dairy business, the soldier settler, if you will, who is possessed of only two or three or four cows, gets maybe a two and a half dollar cheque for his five-gallon can of cream, which it has taken him some time to fill; he will be obliged by this proposed legislation to pay two cents upon every cheque he receives. I say that in this regard you are taxing the poorest man, and the proposal is not equitable, it is not just, and no government should attempt to place it on the statute books, no matter what the financial needs of the country may be. I think, with other hon. members, that $10 should be the minimum cheque upon which stamp duty should be paid. I might carry the story further, I might refer members to the Turgeon report, which states positively and conclusively something which we who grow wheat knew, that the individual who is forced to sell his wheat upon the street pays the greatest price for the marketing of his product. He has to pay this two cent stamp duty on a very small cheque, whereas the more fortunate individual who ships his wheat in bulk receives his money back by express. That is where the greater part of the profits are made, at the expense of the poor individual. By last year's budget the man who can least afford to pay has to bear this two cent stamp duty on every small cheque. I have seen a man unfortunate enough to have to take in a load of tough, damp grain for which he received a paltry sum of money. But unhappily the man who is hardest hit is up against this two cent stamp tax oftener than the man whose transactions are on a much larger scale. I think if the government knew the condition of affairs they would not endeavour to impose such a tax.

Now Mr. Speaker, I have before me a programme which I believe should be upon the statute books to-day, and I am confident that the majority of these proposals which I am about to read would have been enacted had the people reposed confidence in the Progressive party in 1921. We have urged the present administration to incorporate in our statute books the majority of these measures which I shall now enumerate. Had we been entrusted with power we would have enacted into law the following measures:

1. The redemption of all untaxed war bonds that remain in Canada and the imposition of a tax upon them.

2. A Dominion system of long term credits for agriculturists, whereby they might have an opportunity by a system of amortization to pay off their debts. This is something due our agriculturists, and they will not be satisfied until such a measure is enacted. The government were aware of the conditions which called for such legislation at the time they took office, and surely they have had a sufficient interval within which to inaugurate such a policy.

3. A commission to ascertain the actual position of those industries which ask for protection or high tariff, and also to ascertain how many of them are indigenous to Canada. I think the establishment of such a commission is long overdue.

4. Writing down the over-capitalization of the Canadian National Railways so as to put the system on a fair basis to compete with its rival.

5. Settlement of the natural resources question. I think we can safely say that we would have honestly attempted to bring that about.

6. The principle of proportional representation. The government promised to bring down a bill for this purpose, but they are very lax in redeeming their promise.

7. Revaluation of soldier settlement land and other soldier assets and placing them on a normal basis. This is due our soldier settlers, indeed overdue, but the government

are lax in their duty, and make no attempt to do anything that might cause them to go down to posterity with a good name, which after all is the thing to be desired.

8. Completion of the Hudson Bay railway.

9. Enactment of a law that 7 per cent be the maximum interest chargeable by our banks, and the imposition of severe penalties for infractions of the law. This is another piece of legislation which the government should have enacted; certainly we would have placed such a law on the statute books.

10. Revival of the wheat board in 1922. Yes, this was very dear to the mind of the westerner, and it does not affect anybody else.

11. Amendment of the Bankruptcy Act to make it applicable to the agriculturist, thereby giving him a chance to start again. That is another thing due the agriculturist that this government should have enacted long ago; but no, they sit idly by and are loath to do anything.

12. Suspension of the coastal laws thereby controlling lake freight rates. That is something we would certainly have done.

13. Withdrawal of the Canadian Government Merchant Marine from the North Atlantic conference, and the use of the ships to bring down the north Atlantic freight rates.

14. Removal of the tariff and sales tax from the necessities of life, and the imposition of a luxury tax sufficient to make up the difference.

15. Here is another original suggestion. What would hon. members think about a tax on golf courses? I would tax all except municipal golf courses. We have our millionaires with their luxurious golf clubs and extensive grounds untaxed, while hon. members in our legislatures say that the child who goes out to purchase a 25 cent movie ticket should pay a tax.

Mr. ST. PERE: Would my hon. friend tax professional hockey?

Mr. GOULD: That is a matter for the provinces to decide. My proposals have to do with federal legislation.

16. This is a proposal which would not bring in any revenue, but I think it would have a salutary effect. There should be kept a record of members' attendances at meetings of the House and of committees, which should be published annually, so that the public might know what their representatives were doing.

Mr. LANCTOT: And reduce their indemnity if they did not attend?

Mr. GOULD: I would reduce the indemnities of members living within a few hundred miles of Ottawa. I have occupied more time than I intended, Mr. Speaker, but it will not have been wholly wasted if the government will see the wisdom of taking steps immediately to translate some of my suggestions into law and thus give the people of Canada good reason to rejoice.

Mr. E. C. ST. PERE (Hochelaga) (translation): Mr. Speaker, "Give me a good policy and I shall give you good finances." We must admit that this parliament should not give to these words of Baron Louis too great a scope, for, in these practical times, we must conclude that good financing can be shown, even though the balance sheet shows only a small margin to the good. Agreeing with the great Gladstone, I would like to see that the yearly budget of all our governments be not too large. This would encourage our administrators in being more economical in expenditures and consequently, the country would be better governed.

I am not, Sir, a follower of the doubting apostle. I have faith in the honour, ability and in the science of those who the government appoint to the administration of public affairs, especially in those employees of our administration who have been called upon to fill the so responsible position of making up our budgets and, in particular, of compiling its very interesting statistics which we call our yearly financial report.

Mr. Speaker, I have always made it a point to be sufficiently truthful as to not lie to myself, and to contend that, at present, our country enjoys unparalleled prosperity, would be to misrepresent the facts. On the other hand neither am I a pessimist and I shall be content, together with all the practical people of this country, to point out that our public debt is very large, and I consider it a duty to endeavour, with all those who think of the future, to find measures so as to face the situation; without looking very far back to discover the causes which have brought on these conditions, causes which everybody knows, and that I do not think proper to remind the public of too often. What is or rather what are the causes of our troubles? We are no worse off, in Canada, than the people in other foreign countries. All these countries, Sir, have suffered from this great cataclysm which is called the Great war. In all those countries we find, to-day, a revival of energy, an overflow of patriotism to face the present situation, and I cannot see why, here, in Canada, we, with this youthful country filled with hopes, should fall back and confine ourselves to a narrow pessimism and think that in our beautiful country we have

lost all hope. I shall not say misery, Sir, but a critical situation as regards finances, puts us on the same plane with all other countries. I do not know if some think proper, in view of the rumour of a near by general election, to carry on a campaign as the one which is actually taking place throughout Canada. If we listen to our political opponents, one thing alone could save us: a high protective tariff; one thing alone could do away with unemployment in our country—and it exists, Sir, it is a well known fact—it would only be necessary to return to a high protective tariff. And to give more weight to this doctrine, the exponents of the high protective tariff quote as an example the Fordney-McCumber tariff which, they say, brought back prosperity to the United States, has done away with unemployment in all the large cities of the United States, and should convince us that we must adopt, without further delay, a similar measure.

Allow me, Sir, to quote as a counter-opinion of this doctrine, not the opinion of a Canadian or of an American who is mixed up in the political conflict of the United States, but the opinion of a disinterested man, of a distinguished economist, Mr. William O. Scroggs, who stated, when the discussion of the Fordney-McCumber tariff was taking place, in a large New York newspaper. You will see, Sir, how much the Fordney-McCumber tariff, which is always quoted as an example, brought back prosperity to the American workman and how much it helped to his support. I shall read the English text so as to keep close to his thoughts and especially to the lucid explanations that it contains; it is as follows:

The new tariff bill, the New York Evening Post (Ind.) has said, "makes the free breakfast-table a mockery," and in this paper Mr. William O. Scroggs, the economist, recently recounted "the short and simple but somewhat intimate annals of a morning hour in the life of a plain middle-class American consumer," to "see how the tariff penetrates into the inner temple of his existence." To quote from this story as amended by Mr. Scroggs to fit the final form of the Senate bill:

"His day begins when he is aroused by an alarm clock, and the new tariff bill raises the duty on this article 67 per cent. His first act is to throw off the bed-covering, on which the duty has been increased 60 per cent. He jumps from his bed, on which the duty is advanced 133 per cent, and dons a summer bath-robe, with the duty up 60 per cent, and slippers, with the duty increased 33 per cent.

"He walks over a Brussels carpet (duty up 100 per cent) to close the window, the duty on the pane of which has been raised 33 per cent, and adjusts the shade (duty up 20 per cent) and curtains (up 50 per-cent). Then he enters the bathroom, stands before a mirror, on which the duty has been raised 100 per cent, sets out his shaving-stick, subject to an increase in duty of 67 per cent, his shaving-brush (duty up 30 per cent), and razor (up 100 per cent), and begins his tonsorial operations. This over, he devotes his attention to the bathtub, on which the duty has been raised 100 per cent. Towels (with the duty up 60 per cent), soap (up 67 per cent), tooth-brush and hair-brush (up 30 per cent each, and comb (up 67 per cent) are next in demand.

"As our consumer dresses, it may be noted that the new bill increases the duty 60 per cent on his underwear, 33 per cent on his hose, 15 per cent on his shirt and collar, 20 per cent or more on his necktie, and 60 per cent on his suit of clothes.

"Our consumer decides to discard his waistcoat and transfers fountain-pen (up 100 per cent), penknife (up 200 per cent), and lead pencil (up 80 per cent), from waist-coat to coat-pockets, picks a fresh linen handkerchief (up 30 per cent) from the dresser (up 133 per cent), polishes his eyeglasses (up 15 per cent), and after giving his clothes a touch with a brush (up 57 per cent), is ready for breakfast.

"At the breakfast-table our consumer spreads a napkin (duty up 15 per cent) on his knees, and turns on the current for his electric toaster, on which the duty has been advanced 160 per cent. He drinks water from a glass, on which the duty is 45 per cent higher, and begins his breakfast with an apple (duty up 200 per cent) baked with sugar (duty up 84 per cent) in an aluminum dish (up 150 per cent) on a cast-iron stove (duty up 100 per cent).

"The duty is also advanced 27 per cent on his chinaware, 20 per cent on his table silverware, 200 per cent on his oatmeal, and 225 per cent on his butter. The cream for his coffee has been removed from the free list and subjected to a duty of 22½ cents a gallon, and his eggs also have been taken from the free list and made dutiable at 8 cents per dozen. The salt for his eggs likewise comes off the free list, and so does his bacon and the flour that goes into his bread. Even the duty on the salt-shaker gets a boost of 45 per cent.

"The only things on his table that have not been subjected to a higher tariff duty are his coffee and his drinking-water."

Mr. ARTHURS: What country is the hon. gentleman quoting from?

Mr. St. PERE (Translation): The United States.

I am wondering, Sir, if such a tariff would contribute to the welfare of the Canadian working class?

Now, Sir, allow me to read a statement embodied in the platform of the English Labour party, at the last general elections. I think that the Canadian workman cannot entirely separate his platform from that of the English Labour party, a platform much less radical, but which has always leaned towards obtaining about the same results. This is what the manifesto proclaimed at the last general election in Great Britain:

Tariffs are not a remedy to unemployment. They constitute an obstacle to the free trade of products and services, upon which rests civilization. They keep up the spirit of mercantilism, of materialism and egotism. They poison the life of nations. They are responsible for corruption in political life. They encourage trusts and monopolies. They impoverish the people. They engender inequality in the distribution of the world's wealth—the result of the work of hands and brains.

Ramsay MacDonald, answering one day Mr. Baldwin, said:

Unemployment among the protected industries is at least as great as it is, on the average, among the other industries. The latest percentage available of unemployed workmen in all the industries insured, shows 10.7. It is 11.4 in clock-works; 11.6 in hardware; 17.4 in glass-works, notwithstanding the existence of a protective tariff. "Indeed, protectionism is but a diversion. There are at present 85,000 unemployed people in the building trade; 39,000 in the mines; 38,000 in the hotel business; 78,000 among the distributing agencies; 116,000 among the cotton mill hands. Protectionism can do absolutely nothing for them.

Now, sir, in the course of last session as a representative of the great metropolis, I naturally received from time to time letters urging me to be favourable to a higher protective tariff on cotton goods. They described how the British preference was the cause of unemployment in the large cotton mills of my division, and it was argued that such a state did not exist in the United States I want to read again the English text of an article which appeared in the New York World, last year, fully explaining the situation. I hope that my good workmen of Hochelaga will not miss the opportunity of reading this article to further satisfy themselves, that the British preference has not been the source of all their ills. This industry which was claimed to be so prosperous in the United States, had its great share of unemployed, to the extent that during last year people were prone to designate the cities of Manchester, of Fall River, and so forth, cities of the dead. This is what the New York World had to say on the subject:

"The cotton-mill owners have been caught in an economic vise which they fear will crush the industry, and with it the workers, unless they can lower production costs or increase production without increasing costs. The textile unions figure if the mill-owners adopt either expedient the mill-workers will be sacrificed. There are signs that they expect another industrial struggle in New England.

"There have been two heavy wage reductions in the New England mills since the war, one, in December, 1920, having been 22½ per cent. A subsequent 12½ per cent advance brought the figures up somewhat, but the unions have not been able to restore the levels prevailing before the 1920 cut.

"Briefly, the conditions which threaten new strikes over wages and working hours began to take shape with the rapid expansion of the cotton textile industry, which reached high impetus during the war. The point has been reached where the mills produce normally more than the country can consume.

"Export conditions have aggravated the situation. They are what the mill-owners call "rotten". The British market, which one was the principal export outlet for American cotton textiles, is now practically nil.

"Still other depressing factors have been a year-to-year shrinkage of the cotton surplus and the depredations of the boll-weevil. These have brought about a prodigious increase in the cost of raw material, with a corresponding increase in the cost of finished goods, which in turn, the mill-owners say, has caused wholesalers, jobbers and manufacturers literally to 'back away.' The whole cotton industry, in North and South alike, has been hard hit. Raw material costs are very high. Markets are very dull. So the New England textile mills for the most part are running about half time. That is the situation the mill-owners confront. To the mill-workers, union officials say it is even more menacing."

I must assure you, Sir, that the electors of my county, employed in that industry, had not to complain of a worse situation.

Here is a statement that appeared in a recent edition of the Detroit Free Press:

"What ails the cotton-manufacturing business at bottom is not competition from abroad, but plain high prices. It has been noted repeatedly by reliable judges that the cotton-goods market is one which languishes or revives almost solely by virtue of changes in price. When prices are within reason, the industry thrives; when they are excessive, curtailment in consumption is practically automatic. The industry is already protected, of course, to an astonishing degree. In fact, rates on such items as cotton blankets, cheap ginghams, cotton socks and cotton thread are so lofty as to be preposterous.

"High prices being the cause of stagnancy in the domestic industry, the remedy would appear to be some effort toward a more reasonable price for cotton. If high prices are the one big reason for depression, it is the height of absurdity to suppose that consumption may be encouraged by lifting them still higher."

Mr. Speaker, time and again the great dailies of our large Canadian cities have voiced the complaints of the boot and shoe manufacturers against the tariff. I felt the need of getting to the bottom of the matter myself and after communicating with representatives of the boards of trade of Lynn and Brockton, large boot and shoe manufacturing centres in the United States, I came to the conclusion that this industry is no more prosperous beyond the border than it is in Canada. I say that, though I am not familiar with this industry; but our own manufacturers have put forth certain claims, and I myself bear witness to the good faith—I will even say to the moderation—with which, at a convention of the boot and shoe manufacturers of the province of Quebec, held in the city of Montreal, one of the members of the organization, discussed this question. Notable among his utterances was this: that the fault does not lie entirely with the British preference, but that if certain of our Canadian flag-wavers who are always to the fore were ready to do as much when it came to having their footwear made in Canada instead of going to England for it our Canadian boot and shoe manufacturers would surely be able to give more employment to their men than they can at the present time.

We have also heard, Sir, quite a lot about emigration. Certain speech makers would have us believe that our present tariff is the primary, the active, the sole cause why our people are going away to the United States. Such is not the case. I am speaking more particularly of what is taking place in my own province. Certain French Canadians have a habit of migrating periodically to the United States and returning some time later. Those who are acquainted with the French-Canadian centres of New England will understand me when I say that I wonder if these people are as happy in the land of Uncle Sam as they were at home here in Canada. I have visited personally the "Little Canadas" of a number of New England cities and I make bold to declare that the French Canadians of our great cities, that all the workmen of our great cities, are far better off than those in the United States.

Mr. ARCHAMBAULT: Hear, hear.

Mr. ST. PERE: Last fall I had the good fortune to listen to a sermon, in the church of St. Louis de France, Montreal, preached by his Lordship, the venerable Bishop Hallé, of Hearst. He requested the congregation of that magnificent parish to carry his words to the province of Quebec, and to say to all French Canadians: "By all means stay where you are! What I am telling you now,—said the venerable prelate—is the opinion of a great many French Canadian parish priests in New England; they have said to me: "Urge French Canadians to remain in the province of Quebec. There they are at home and they are far, far happier indeed than they can ever hope to be under the Stars and Stripes".

And since we must speak of immigration let us deal with that question.

I do not hold with the hon. member for George Etienne Cartier (Mr. Jacobs) that we should adopt the policy of the "Open Door".

Mr. ARCHAMBAULT: Hear, hear.

Mr. ST. PERE: The hon. member told us this afternoon that the United States and Canada were each afflicted with a great evil, though of a different character in each case, and he proposed to apply the same remedy to both. I am wondering if the open door, the policy upheld by my hon friend from George Etienne Cartier for eradicating this supposed Canadian evil, would really be the remedy we need. Apparently our population is too small; we are told that we should increase our population so as to ensure the profitable operation of the Canadian National Railways. I maintain, Sir, that if there be something wrong with Canada we should be very careful not to take an overdose of the medicine in attempting to right matters.

I am very close to my constituents; I meet them every day,—and the workmen of our large cities are not only French Canadians; some are English too and Irish,—and they say to me: "Mr. St. Père, try and get the government not to open the door too wide to immigration; we, who belong to this country, we who are Canadian-born, have first right to a living in Canada, and these foreigners come here and take our jobs away from us".

I congratulate the government for closing the door a little, and to go one step further, until prosperity returns somewhat to the Canadian soil, I would be in favour of having this door closed a little more.

Let us now examine our National Railways. We have, in this House, a great number of theorists. We should have a great many practical men. I look upon this enterprise—however national it may be—as very detrimental and, mark you, I do not sanction by that a merger of the National Railways with the Canadian Pacific Railway so as to create a monopoly in Canada, but what I advocate, what the business men of my electoral division request, what the workmen call for, what those who possess moderate means ask, what those who, for the greater part, pay the income tax ask, is that these large expenditures be diminished. My views on this subject agree with those of the hon. member for St. Lawrence-St. George (Mr. Marler). It is all very well, under the plea of attracting traffic, to spend money on radio, and so on, however, these large outlays, this additional burden that the country is called upon to carry, where do they come from, if not from the pockets of the taxpayers of this country? And, notwithstanding all the arguments the theorists may bring to bear on this subject, notwithstanding all that may be said by those who see in this national enterprise a good business transaction, a patriotic thing, there is not a man in this House who can convince me that it is to the advantage of Canada to keep up an enterprise which threatens us with deficits for twenty-five years to come, whatever may be the figure of our population. And moreover why delude ourselves with false hopes? Will Canada, ten years hence, have 10,000,000 more of population than it has to-day? Whatever the case may be, I state that an enterprise which threatens us with a yearly deficit of $50,000,000 for fifteen years to come, is not a desirable one, and that the sooner we improve our situation, the better the population of this country will be satisfied.

Some hon. MEMBERS: Hear, hear.

Mr. St. PERE (Translation): Now, Sir, coming to immigration. I am not an extreme opponent of immigration; however I must state that this immigration should be closely watched. It is all very well, after a thorough physical inspection of the candidates, to bring into this country handsome specimens, statues of Tanagra, if you like, however there is one thing that we must closely watch: it is the mentality of those who come to us.

We have listened, this year, to various views aired in this House; we have heard the claims of those—including even a lady member—who wished at any price to amend the British North America Act; we have listened to some asking us to pay a pension to all the gunmen and burglars who ransack our homes, and we were forced to listen to long winded speeches on resolutions devoid of all practical sense. And, we afterward ask why the sessions are so long, and why the cost is so great! There is one suggestion which I might make to the government—and, on this subject, I must beg your indulgence if I take advantage of the privilege afforded, at present, to the members of the House, of making a long speech. I hope that in the near future, I shall see myself obliged, and this with pleasure, to cut short my remarks so that they may be summed up in a half hour speech, the practical side will perhaps be the gainer, and the country will benefit greatly from the economy which this will allow us to carry out.

Mr. Speaker, after the remarks I have just made, this House will, perhaps, want to know what are my views on the tariff. I think my views are those of a practical man; I have matured my views, Sir, after consulting the grey hair business men of my electoral division; I considered myself too young to come to a definite opinion on the subject. Here are my views on the tariff: I would put the maximum tax on the unnecessary things; this would be on a downward scale until it reached things necessary, and it would stop at the necessities of life.

I would go one step further; I am not the Finance Minister, however, if I were, perhaps, I would be bold enough to make the following suggestion: I would submit for the approval of the House, a proviso to be placed in the tariff, a flexible proviso, as the one which, at present, regulates the American tariff. Those who reside in the neighbourhood of the great Canadian Metropolis, I might mention those from all parts of the province of Quebec, and also my colleagues from the rural constituencies, would support me on this question. I mean the early fruit and vegetables which come to us in the spring from the American gardens. I do not wish to deprive anyone, for I am against every kind of prohibition, of alcohol as well as of races, however, we must not forget that all farm products come from the United States in the spring; again do I state, I do not wish to deprive anyone of the pleasure of eating to his heart's content these products, by advocating a very high tariff, however, the moment that the same Canadian products are placed on our markets, I think it would be a sound policy so as to help both our market gardeners and farmers, to raise somewhat the tariff on American products.

Mr. ARCHAMBAULT (Translation): Would the hon. member allow me a question? Would he be in favour of raising the Canadian tariff to the level of the American tariff on said products?

Mr. St. PERE (Translation): Quite so.

It is rumoured, Sir, that if a vote were taken, at present, throughout the country, because of the stagnation in business—for I told you, Sir, at the outset of my speech, that I was an optimist—a great number of Canadians would vote to annex Canada to the United States. I do not know where such Canadians come from, however, I take advantage of this occasion to assert—and past history is there to prove it—that if this project received a favourable vote, the majority favouring annexation of Canada to the United States would certainly not come from the beautiful province of Quebec. From an historical viewpoint we are Conservatives. Let the Americans come here and bring their capital, they will be received with open arms; if they wish to carry on their work peacefully, they are again welcome; but never will the fond hopes held, in the past, by the hon. Senator Cabot Lodge of Massachusetts materialize, he stated to one of the most prominent French-Canadians in the United States, that within twenty-five years Canada would form part of the United States and that the first to pass over to the Stars and Stripes would be the French Canadians of the province of Quebec. I think, Sir, that the hon. Senator Cabot Lodge had formed a wrong opinion of us, for if there is a people who want Canada to remain Canada, if there is a people who have at heart the love of their country and especially a faith in its future; if there is a people, I say, filled with such sentiments and desirous of seeing them survive, this people is surely that of the province

of Quebec. We are blessed, Sir, with a government system without its equal in the world, and the task of all good citizens, and especially of the public man, is to adapt it to the needs of the day by modernizing practices somewhat grown old and established for an entirely different economic and social status. In accordance with this principle, it is not a new list of reforms which it is necessary to offer parties, but a technique capable of bringing about reforms. Political strife, not only necessary, but fruitful in the future, will have no other function than to eliminate the negative—unattainable—the positive constituting itself in the general consensus.

My wishes to the opposition are that it remain—as Lamartine thought it at one time—the party of hopes; but what I still more desire is that the policy of our government be the science, the policy of all that may help to make national life healthier, more intense and more stable.

Mr. JAMES ARTHURS (Parry Sound): Mr. Speaker, I do not know whether I should be congratulated or commiserated on the fact that I have been unable to follow the hon. member (Mr. St. Pere) who immediately preceded me, in the most excellent political speech he has just delivered. Fortunately I am able to read the beautiful language in which he spoke, although I could not follow his spoken discourse; therefore he will pardon me if I do not attempt to deal with his arguments in the few remarks that I am about to make.

The gentleman who preceded him was the hon. member for Assiniboia (Mr. Gould) to my immediate left. While I have no desire to say very much about the remarks of the hon. member for Assiniboia, I would like to call attention to one or two things. In the first place he condemned the party of which I am a humble member in that during their regime they reduced the duty on agricultural implements; in other words they were the only party within his political knowledge who carried out the pledges they gave. Not only in this House but in the west, in the country from which my hon. friends or most of them, come, on platform after platform they have referred to the fact that my leader when in opposition proposed to lower the duty on agricultural implements, and the present member for Assiniboia tries to condemn the leader of the opposition (Mr. Meighen) because he was the only man who fulfilled the pledges he had made. But the hon. gentleman went further: he said that the farmer had no protection. I would like to point out that while the protection for the farmer, especially in the province of Ontario, is entirely inadequate, there has been protection, and that protection is entirely owing to the party to which I have the honour to belong.

He said further—and I am going to get through with his remarks as quickly as possible—that a 10 per cent duty meant a 10 per cent decrease in the purchasing power of the individual and a 20 per cent duty meant a 20 per cent decrease in the purchasing power of the individual. Why not follow that along; why not say that if we did as they have done in the United States, place a duty of 100 per cent on many articles, the result would be no purchasing power at all? The thing is absolute nonsense on the face of it.

During the course of his remarks—I called attention to it at the time—the hon. member for Assiniboia was wrong in his figures. He said the debt per capita in Canada was something over $2,000 when as a matter of fact it is less than $300. It shows how accurate the hon. member was in the majority of his statements.

Now, I am the eightieth speaker, Sir, in this momentous debate; seventy-nine have preceded me, and I think the government side have taken their share in the debate. Hon. gentlemen opposite have referred to members of this party as pessimists. I listened very carefully to the remarks of my hon. friends, when I was in the House; the speeches of the others I have read very carefully, and I have yet to find a man either on the government side or on my left, or in this party, who is entirely satisfied with conditions as they are to-day. I have not heard one man say that he was satisfied with the budget as brought down—not one. The Prime Minister (Mr. Mackenzie King) in his address quoted more than copiously from extracts in an attempt to show that the United States were just as badly off as we were, but that does not make us any better, nor does it make the United States any worse. The greater part of the speech of the Prime Minister, however, was directed along that line.

We have another minister, the Minister of Labour (Mr. Murdock). During his maiden address on the tariff he spent the greater part of his time in showing up what he called Conservative propaganda and in taking short extracts out of various papers—I think the longest was about three lines—to show that certain factories were going ahead, that some were going to open up, and that sort of thing. Well, I would like the Minister of Labour—

because it particularly applies to his department—to go to one of our industrial towns, I do not care which one; he can take his choice of Hamilton, Brantford, my own home town of Parry Sound—and ask the man on the street what the actual conditions are. Let him ask almost any of the men in the factories down in our country who are working from two, three to four days a week, who have homes of their own, who are not able to migrate to the United States for various personal and business reasons. These are the men to ask, and I am sure that if either the Prime Minister or the Minister of Labour goes to the trouble of making such an inquiry of the men in the real industrial centres in Quebec or Ontario, I do not care which, he will find out the facts.

The present tariff, Mr. Speaker, is the result of what the Prime Minister has designated as a "pause." Last session he said that the government intended to pause—shall I say, in its downward path?—in its path, anyway, and that for the present there would be no material changes in the tariff. Well, if the policy suggested by the government is right, why not let us go ahead with it and do something to create a better situation than prevails at the present time? If the policy is wrong why does not the government resign, why does it not go to the country and let the people say whether that policy is a right or wrong one for Canada at the present time?

Now, Mr. Speaker, there are three principal questions, as I look at it, in this country that ought to be settled The first one is the question of population. This has been evidenced by the remarks of probably the best thinking minds and the best financiers in the country. We have had remarks on this subject from men like Sir Henry Thornton, and Mr. Beatty, and from the heads of all our banking institutions, from men who are closely in touch with the financial situation in Canada to-day, and they are unanimous in claiming that the principal problem before the country is to get sufficient population to support the burden that we must carry now and in the succeeding years. The second question is the tariff question on which I intend to speak later. The third question is that of freight rates. These, I believe, are the three principal difficulties which confront Canada at the present time.

First, Sir, let me take up the question of population or immigration. Last year speaking in this House I made a reference to the emigration from Canada to the United States, which at that time I thought was very serious, and I stated that 182,000 of our people had gone to the adjoining republic during 1923 The Prime Minister replied in these words.

My hon. friend, I presume, knows—

I ask the House to mark those words.

—that the figures he is quoting from the returns of the United States Immigration bureau are not regarded even by the United States government as in any way corresponding to the true situation; that the census of the United States, for example, is entirely different from the showing made by the immigration statistics.

I pointed out at that time that the figures which I quoted represented the exact number who had paid the head tax upon entering the United States. I have no doubt at all that hon. gentlemen opposite did not believe the figures I then gave, but I should like to establish their accuracy now by quoting an even better authority. As reported at page 2014 of Hansard of this year the Minister of Labour quoted these figures regarding the emigration from Canada to the United States for the year 1923—the year for which I gave figures that were disputed by the Prime Minister:

Immigrant aliens admitted to the United States from Canada during 1923, 182,369.

Or 369 more than I claimed a year ago.

Number of admissions during the year 1924, 159,098.

The minister gave the figures for 1924 as 159,098. Personally I am satisfied that as many Canadians left this country for the United States in 1924 as did in 1923, and this exodus is still continuing. It is quite true that the government claim that a certain number of those people are returning; but on that point I want to quote another authority—a gentleman whom I am sure every member of this House knows well and regards with the deepest respect. This gentleman is Mr. C. G. MacNeil, of the Great War Veterans' Association, whose figures are as follows:

During the year ending July 1, 1924, 200,690 persons with Canadian domicile gained admittance to the United States upon announcing intentions of permanent residence in that country. This official tabulation does not include those who left Canada for a temporary stay in the United States, but who eventually remained.

In this connection I should like to remark that the Minister of Labour stated that many of these people are returning to Canada again and gave figures showing that in 1923, 43,432 returned and in 1924 the number was 43,316. He stated that these figures represented Canadians who had paid the $8 head tax and had obtained a refund on their return to Canada. I am quite sure that the minister, if he thinks the matter over in a sober manner and after due reflection, will not repeat that statement in public, because the figures as furnished by

the American authorities of those who have actually returned and received a refund of head tax, during the five months beginning with April 1924 are respectively 265, 215, 259, 199 and 190. That is a vastly different story, because those figures constitute less than one-fifth of the number claimed by the Minister of Labour. I have other extracts here on the subject but I have no desire to take up time by reading them. I think I can prove conclusively to the satisfaction of any fair-minded man, either by the statistics of the United States or of Canada that we have lost during the last three years 500,000 population.

Mr. SINCLAIR (Queens): Oh no.

Mr. ARTHURS: There is no question about it. My hon. friend shakes his head but I ask him if Canadians have not gone to the United States from his own town. I am sure he will not deny it. There is not a member in this House who will say that his constituency has not lost people who have gone to the United States in the last three years. They consist of the very best class of the young active men that we have in this country. Those Canadians who are leaving for the United States comprise many of our skilled workmen; they include young men who have been educated, to a great extent, by the different provinces of the Dominion, and have gone to the United States because they cannot find suitable occupation in Canada.

Mr. SINCLAIR (Queens): Would my hon friend give the official figures of the estimate of the loss of population obtained from the Bureau of Statistics?

Mr. ARTHURS: I have already given the figures for 1923. They were disputed by the Prime Minister when I gave them to the House last year but this session they have been verified by the Minister of Labour.

Mr. SINCLAIR (Queens): What figures does my hon. friend refer to.

Mr. ARTHURS: The figures of those who emigrated to the United States and declared their intention to remain there.

Mr. SINCLAIR (Queens): I asked my hon. friend to give an official estimate of the population he said we had lost during the last three years. The Bureau of Statistics makes such estimates, and it is open to my hon. friend to obtain the figures.

[Mr. Arthurs.]

Mr. ARTHURS: My hon. friend is entirely mistaken. I did not say we had lost population; I said we had lost good Canadian citizens which is vastly different.

Mr. SINCLAIR (Queens): "Population" was the word my hon. friend used.

Mr. ARTHURS: Well we have lost to the United States, in my opinion, 500,000 people in the last three years. I do not care whether the government is expending one dollar or twenty dollars to bring Doukhobors here; I would sooner see Canadians remain in their own country.

Mr. FORRESTER: I should like to ask my hon. friend how it is the cities and towns in Ontario and Quebec have a greater population than they had three years ago according to the municipal returns?

Mr. ARTHURS: That may be quite true. The unemployed, even in my hon. friend's constituency I have no doubt, flock to the cities. That is the answer.

Mr. FORRESTER: You are making misstatements.

Some hon. MEMBERS: Order.

Mr. ARTHURS: I am quite sure the answer that I gave was a reasonable one. The trend of the population has been to the United States for many years, as my hon. friend knows, but in hard times unemployment is rife. Every member in this House, whether on this side or the other, knows that the general tendency is to go to the city and look for relief; and undoubtedly that is the case in the particular instance referred to. I was going to point out, if I could, in a feeble way, what this really meant to Canada. There can be no question that the figures that I have given—and if necessary I will read reports from American authorities which present much larger figures than the ones I am giving—prove that we have lost, largely from Quebec and Ontario but also from the eastern provinces, five hundred thousand young, active men who have gone to the United States. If we take their earning power at only one thousand dollars a year, which is a very low estimate—

Mr. SINCLAIR (Queens): Does the hon. member mean that we have lost that number, that the population of Canada has decreased to that extent?

Mr. ARTHURS: I have answered that. I do not care a cent what the statistics show, but during three years we have lost five

hundred thousand people to the United States, and the Department of Immigration of the government of which my hon. friend is a member cannot show one-half of that immigration during the same time that remained in Canada.

Mr. SINCLAIR (Queens): The population has increased, as shown by the statistical department, and has been as great during the last three years as at any time during the last decade. Their estimates have been twice verified by the census returns.

Mr. ARTHURS: That will not be the case this year. My hon. friend cannot get away from the proposition I put up. We are losing people to the United States. The facts are incontrovertible.

Mr. SINCLAIR (Queens): They are coming back.

Mr. ARTHURS: They do not come back. I made a very low estimate when I said that the earning power of each man was one thousand dollars.

Mr. MERCIER: Does my hon. friend think if a man could earn one thousand dollars he would go to the States? Would he not stay in this country?

Mr. ARTHURS: That may be true, but if we had work for them here, they would earn that amount of money in Canada and spend it here. That is the point I am making. My hon. friend will admit that one thousand dollars a year is not too much for a young man to earn.

Mr. MERCIER: No.

Mr. ARTHURS: My estimate then is fair.

Mr. MERCIER: If they could earn that amount of money in this country they would not leave. I do not say that they are leaving however.

Mr. ARTHURS: The very fact that they cannot earn money is the reason they leave Will my hon. friend say that for a skilled workman a thousand dollars a year is an unfair salary?

Mr. MERCIER: No, I would not say that.

Mr. ARTHURS: I am saying that it is a fair salary and I am using that figure. If we have been losing five hundred thousand men in the last three years, we have been losing five hundred million dollars of business in this country. If these young men could get work in Canada, what would they do with their money? They would spend it in Canada. They would have to be housed and clothed and they would require the ordinary necessaries of life. We are losing as long as these men remain out of Canada, one thousand dollars per man, and this amounts to many millions per year. I am going to prove that when I come to the tariff, and to show what we have lost by the figures of the government themselves.

Mr. PRITCHARD: How does the hon. member explain that the compensation board of the province of Ontario have paid out in wages for the year 1924 over $9,000,000 more than was paid out in 1921?

Mr. ARTHURS: I do not think the compensation board has anything to do with it. It just happened there were more men injured than before.

Mr. PRITCHARD: The report states that it has been paid out in wages.

Mr. ARTHURS: The compensation board pays no wages.

Mr. PRITCHARD: No, but the industries paid $9,000,000 more than they paid in 1921.

Mr. ARTHURS: That does not make any difference. The hon. gentleman knows, if he comes from Ontario,—and I do not know his constituency—that factories are closing all around and there are many men out of work all over Ontario on that account. The argument that they paid out more in wages does not signify anything. The other fellows have gone away; that is what I am trying to prove at the present time and the statement of my hon. friend is beside the question. I should like any hon. member who disputes the facts I have given to go to any manufacturing town in Ontario, Quebec, Halifax or any of the eastern provinces, and ascertain the situation. We do not require to be told about it. We all know what it is. I was going to give a few figures in contrast to the five hundred thousand we have lost in the last three years. The present government has more than doubled the expense of the Immigration department of this country in the last few years. I will quote from the Department of Immigration and Colonization of this government, sessional paper No. 13, page 7, and there can be no question about that authority. The statistics are:

1922	89,999
1923	72,887
1924	148,000

In 1923, when we lost 180,000 to the United States, our total immigration was 72,887, and

last year, when we lost 159,000, we got from Europe 148,500.

What is the answer to that? Does the government deliberately desire to have this country populated with men who are flexible in their ideas and exchange our Canadians for them? Or are they trying to keep Canada for Canadians? These are the figures and that is the situation. That is the reason why we are contending that the whole thing is a farce, so far as this government is concerned. The Speech from the Throne left out one other item which would only go to prove the argument I am advancing. Two or three years ago we had a very strenuous situation regarding housing in Canada, and it became so serious that the government was prepared to put up $20,000,000 for a scheme to assist in this regard. Since this government came into power, and especially during the last few years, we have not heard one word about the housing scheme—absolutely nothing. Do hon. members know why? The people have left Canada and they do not require the houses. If we go to the city of Toronto or the city of Hamilton or other large places we can rent houses for a third of the amount asked a few years ago, and have no difficulty in getting houses. That is one thing the government seem to pride themselves on. That is the situation so far as Ontario is concerned.

Mr. MERCIER: In Montreal they are building all the time.

Mr. ARTHURS: You have a large industrial situation there and conditions are different. However, this year Ontario may improve in that respect.

Mr. ARCHAMBAULT: That is an improvement.

Mr. ARTHURS: Some people think so.

Mr. FORRESTER: How many new houses have been built in Ontario cities in the last three years?

Mr. ARTHURS: Building permits in Toronto alone were 7 per cent less than they were the year before.

Mr. FORRESTER: Every city has had an increase in building permits in the last three years.

Mr. ARTHURS: Except in Montreal there was no increase last year.

Mr. ARCHAMBAULT: In Montreal the construction has been increased.

Mr. ARTHURS: I said so—27 per cent increase in Montreal, 7 per cent decrease in Toronto and all other cities.

[Mr. Arthurs.]

Mr. FORRESTER: How does the hon. member reconcile that with his statement now?

Some hon. MEMBERS: Go on.

Mr. ARTHURS: The hon. member for George Etienne Cartier (Mr. Jacobs) this afternoon made a very pertinent remark, which described the situation as regards the government side most aptly. He said the tariff was a matter of geography. It is absolutely so as regards the government and that has always been the case. During the last election the tariff was simply a matter of geography. The government had just as many policies as there were different sections in the Dominion of Canada, and I believe they still intend to pursue that policy. There is one difference that stands out in the minds of both my hon. friends opposite and my hon. friends to my left—they have no doubt at all as to the fiscal policy of this small party to their right. We do not change our politics according to geography. We have the same policy from the Atlantic to the Pacific.

Mr. ARCHAMBAULT: Does my hon. friend believe in an iron-clad policy on the tariff?

Mr. ARTHURS: I do not care what kind of a policy it is so long as it is a policy, but my hon. friends have no policy and they never had one.

Mr. RINFRET: Will my hon. friend admit their geography is shrinking?

Mr. ARTHURS: Temporarily, although it is not decreasing at all.

Mr. RINFRET: Shrinking, I said, getting smaller.

Mr. ARTHURS: The question as regards the tariff is: Whom does it benefit? I know my hon. friends to my immediate left will say that the tariff is maintained for the purpose of benefiting the capitalists. They will all agree to that. I see a lot of them nodding their heads.

Mr. CALDWELL: About five per cent of the population.

Mr. ARTHURS: As a matter of fact, the man who benefits most from the tariff is not the manufacturer, but the working man and the farmer.

Some hon. MEMBERS: No.

An hon. MEMBER: Let us laugh.

Mr. ARTHURS: I shall endeavour to prove that.

Mr. LEWIS: Not the farmers of the west.

Mr. ARTHURS: The farmers of the west will one day, we hope, be as prosperous as the farmers of the east and the farmer of the east to-day is not asking for and does not want free trade. The farmer of the east is in exactly the same position as the farmer in the United States. What is the man who lives opposite to us across the Montana border asking for? Free trade? Not at all. He wants protection of the highest possible kind and he is getting it.

Mr. LEWIS: He sees his mistake now, does he not?

Mr. ARTHURS: He is demanding more. The principal object in all protection is to preserve the home market and to give the working man in any country an equal chance with the working man with whom he has to compete. There can be no question at all that even in free trade countries they have a tariff, or safeguarding-of-industries laws, or some other means by which to protect their workmen against those countries which have a lower standard of living or depreciated currency. There is no exception in the world.

Mr. EVANS: Will the hon. gentleman state, under the Safeguarding of Industries Act, how much the manufacturers are benefited, or if it gives them a price-fixing power at all?

Mr. ARTHURS: The hon. gentleman may be akin to his friend the hon. member for Springfield (Mr. Hoey). The other evening when the hon. member for Springfield was addressing the House, I asked him about the Safeguarding of Industries Act in Great Britain. I knew that the act had been abrogated by the late government. I knew and he knew, or he should have known, that a similar and much more stringent measure is being put on the statute books at the present time. He knew and I knew that there is no question that the British are prepared not only to protect themselves and their industries against countries having debased currencies or lower or worse living conditions, but to declare that against all nations, and this in effect makes an absolutely protective tariff. There is no difference in the world, no matter what you call it. Hon. gentlemen are quite as well aware of that fact as I am.

Mr. EVANS: Answer my question.

Mr. ARTHURS: I have answered it, I think. I should like to give a few illustrations of what the British and we are up against. I hold in my hand a statement of current wages in Germany under date of September 1, of last year. While they are given in marks, I will reduce them to dollars and cents. Any hon. gentleman is at liberty to do his own arithmetic if he wants to, but my arithmetic is more accurate than that of an hon. member who preceded me this evening. In Germany, skilled mechanics in the building trades are absolutely at the top of the list, higher than those engaged in chemical, leather, metal, paper or textile industries. In the building industry they receive .66 gold marks as hourly wage, or a weekly wage of 35.64 gold marks. This, at the ordinary basis of 23.82, brings the weekly wages of the most highly paid German mechanic, that is, in the building trades, to the magnificent sum of $8.40 a week, and he is working nine and ten hours a day. I do not care what stand any other hon. gentleman may take in this House; I do not care whether it is the stand my party takes or not; I am absolutely opposed to allowing goods manufactured under those conditions to come into competition with those manufactured by our workmen in Canada. I do not think I will take the time to read the whole list, but I can assure the House that I am quoting now the highest priced mechanic under date of September 1, 1924.

Mr. ARCHAMBAULT: From what paper is the hon. member reading?

Mr. ARTHURS: From a paper issued by the American Department of Labour. I forget the name just at the moment, but I will give it to the hon. gentleman in the morning. Let us take labour conditions in England, and I am quoting now from the official organ of the government, the Statistical Review. That must be right:

Wages per week

Industry	In Great Britain	In Canada
Pulp and paper (average)..	$13 20	$24 17
Shipbuilding—		
(average)..	11.70	21.00
Building Trades—		
Plumbers..	16.50	55.00
Plasterers..	16.20	55.00
Bricklayers..	15.90	44.00
Carpenters..	15.85	39.60
Labourers..	11.65	20.00
Steel—		
(a) Iron Moulders	13.95	35.00
(b) Labourers..	10.25	18.00
(c) Machinists..	13.60	28.00

	Canada	Germ'ny	Engl'nd
Bricklayer..	100	28	45
Moulder..	100	30	51
Labourer..	100	40	60
All occupations..	100	41	55

These figures are taken from the statistical report submitted by the present government, and the point I make is that it is absolute

nonsense for any country, where living conditions are as they are in Canada and as we hope they will continue to be, to try to compete, with labour at these prices, under any free trade policy or anything approaching free trade. I do not think that our working men should be asked to labour under these conditions, and as a matter of fact I shall never advocate anything of the kind. Although there has been so much debate here on the budget, there is little difference of opinion regarding the tariff except as between hon. gentlemen to my left and the rest of the House. Hon. gentlemen to my left themselves say that the gentlemen immediately opposite, the party in power, are as strongly protectionist as we Conservatives are, and I have not the slightest doubt that I could look into the eyes of many hon. gentlemen opposite me, especially when the House is rather better attended than it is to-night, who are stronger for protection along certain lines than I am myself. For after all we are not a party of high protectionists; we stand for reasonable protection. So that hon. gentlemen opposite belong to exactly the same school as ourselves; they follow the same course as we do and the only real honest opposition to the tariff comes from hon. gentlemen to my left.

Mr. LEWIS: Why do you not sit together then?

Mr. ARTHURS: There is a difference: we are absolutely candid in our stand.

Mr. LEWIS: The other is camouflage?

Mr. ELLIOTT (Dundas): Why are you opposing a protectionist budget?

Mr. ARTHURS: Do you call this a protectionist budget?

Mr. ELLIOTT (Dundas): What is it?

Mr. ARTHURS: It is nothing at all; it is merely a standing pat.

Mr. ELLIOTT (Dundas): Would you raise the tariff if you were in power?

Mr. ARTHURS: Certainly, on some things I would make a fair increase. The hon. gentleman should remember that a few moments ago one of his leaders rebuked my leader because he reduced the tariff in certain directions. All we want is a fair tariff.

Mr. ELLIOTT (Dundas): Will the hon. gentleman explain what he means by "fair."

Mr. ARTHURS: Life is too short. Now, we have no quarrel with western Canada; rather the reverse. So long as I can remember, the province of Ontario at least has always had the deepest concern for and interest in the welfare of the western provinces. And I can remember the time when many hon. gentlemen sitting to my left, one of whom is laughing at the present time, were not in this country at all. I remember when that hon. gentleman himself was not here, and it does seem to me, because these gentlemen have certain fiscal views, that that is no reason why they should try to instil into the minds of a certain number of people in the west that eastern Canada is opposed to that part of the country. There is no reason why they should try to give those people the impression that Ontario is a country composed of capitalists and monopolists; for all that sort of thing is absolutely untrue. In the great province of Ontario there are more farmers than there are anywhere else in the Dominion; there are more farmers in that province than in the three western provinces combined. I am sure there is a greater output of agricultural products in Ontario as regards variety than in those provinces. Hon. gentlemen to my left have their own views, and while we are perfectly willing to do anything possible to aid the west, either in the way of freight rates or by the amelioration of conditions, we do not believe, certainly I do not believe, that hon. gentlemen should come asking this or any other government for concessions which would operate adversely to the majority of the population of eastern Canada. I say that frankly. I think that the average man in Ontario, whether farmer or manufacturer or labourer, is a protectionist on principle, and the men in the west should have some sympathy for their viewpoint, which is just as honest as the free traders'.

Mr. LEWIS: Will the hon. gentleman not admit that the protection now in eastern Canada is a concession from the west?

Mr. ARTHURS: We had the tariff before the hon. gentleman came to Canada.

Mr. LEWIS: That may be, but that is no reason why you should have it forever.

Mr. ARTHURS: The hon. gentleman and his friends came to Canada knowing what the policy of the country was; they took up life in the western part of the country knowing the conditions under which they would have to work. And they made their money there.

Mr. LEWIS: But protection is not a law of the Medes and Persians.

Mr. ARTHURS: There is not much use arguing with a man who has made up his mind. I would point out that while hon. gentlemen to my left, collectively,—

Miss MACPHAIL: I would call the hon. gentleman's attention to the fact that all hon. members who sit to his left are not gentlemen.

Mr. ARTHURS: I tender my most humble apologies to the hon. member for having overlooked her presence.

Mr. EVANS: Will the hon. member admit that the tariff is a concession?

Mr. ARTHURS: No; it is not a concession, it is a necessity, an absolute necessity. I venture to suggest, Mr. Speaker, that if you could get a secret vote in the House tomorrow you would not find five hon. members opposed to the tariff. They are all of the same mind with us; they know that it is an absolute necessity, whether they advocate it or not.

Mr. LEWIS: A tariff for revenue.

Mr. ARTHURS: Hon. gentlemen are not opposed to the tariff at all.

Mr. EVANS: Will the hon. member explain what the tariff is? Is it not a tax that someone must pay?

Mr. ARTHURS: I must protest; I have to get through some time to-night. I would point out to my hon. friends opposite and to hon. gentlemen particularly to my left, that while they are talking free trade their friends to the immediate south of us in the United States have been clamouring for protection in the most eloquent terms. And they have succeeded in getting it; indeed, they not only have protection now but they are asking for more. Why, President Coolidge in his message a few weeks ago virtually promised an increase in protection for farm products over there. Let me give a brief comparative statement in regard to the respective duties in the United States and Canada on certain articles:

	United States	Canada
Wheat	42 cents per bushel	12 cents per bushel
Corn	15 cents per bushel	Free
Wheat flour	$2.04 per barrel	.50 per barrel
Hay	$4.00 per ton	$2.00 per ton
Fruits	35 per cent	25 per cent
Potatoes	50 cents per 100 pounds	35 cents per 100 pounds
Butter	8 cents per pound	4 cents per pound
Cheese	5 cents per pound	3 cents per pound.
Eggs	8 cents per dozen	3 cents per dozen
Cattle	40 per cent	25 per cent

I have a list of manufactured articles which hon. gentlemen might like to have enumerated. For instance, the average American tariff on woollens is 100 per cent, on silk fabrics 55 per cent, and on artificial silk 75 per cent. The duties on silk are particularly significant in view of the admission by one of my hon. friends to the left that we should perhaps protect those industries which are indigenous or natural to the country. I would point out that to-day the United States is the greatest silk manufacturing country in the world, and they do not grow any raw silk; the same thing applies to other of their industries.

Mr. LEWIS: My hon. friend said that the United States farmers are asking for protection, and he quoted the duty of 42 cents a bushel on wheat. Will he explain why it is that United States wheat is 8 cents a bushel cheaper in the United States market than Canadian wheat in Canada?—which shows it is absolutely impossible to protect the farmers' commodity.

Mr. ARTHURS: Has my hon. friend never told his constituents that the duty raises the price of the article protected? He has repeated that five or six times in the House to-night. Here is a case where they have a duty on wheat and the price is lower.

Mr. LEWIS: If that is true, what is the value of a tariff as far as the farmer is concerned? The tariff only raises the price so far as industries are concerned.

Mr. ARTHURS: As a matter of fact i has nothing to do with it, especially in this case.

Mr. LEWIS: If that is so, why are you arguing for protection in order to give our people work?

Mr. ARTHURS: That has nothing to do with it. Further I would point this out, that while the United States are protecting themselves against the farmers of Canada, they are our principal competitors in many of the markets of the world. I may take Great Britain as an instance. In 1923 the United States shipped 31,461,744 cwt. of wheat, while Canada shipped only 28,486,785 cwt. In the matter of flour the situation was somewhat better, we shipped more than did the United States. In the matter of barley last year alone—the year before was worse—the Americans shipped 5,500,000 cwt., and we shipped only 2,900,000 cwt. Then take bacon, last year our neighbours shipped over seven million pounds sterling worth to Great Britain against our five million, while the year be-

fore the figures were eleven million pounds sterling and three million respectively. I am quoting round figures. In spite of the fact that they are preserving their home market for themselves. they are using their surplus production to compete with us in the only open market we have in the world according to my hon. friends to my left. I might show the effect which the Fordney tariff had on the export of our products to the United States, but it is not a very pleasant task. It was most remarkable. For instance, in 1921 we shipped 1,009,019 pounds of mutton to the United States, last year the figure had dropped to a mere 11,000 pounds. In 1921 we shipped $12,500,000 worth of cattle, last year only $1,100,000 worth. It shows how effectively the American market is being protected against the products of our farmers, and the figures I have already given demonstrate to what an extent their American rivals are competing in the world's markets. They have a double advantage, they have their home market, and in addition they beat us in the markets of the world.

Now let me deal with the reductions in the tariff that were made at the instance of my hon. friends to the left, because I have no doubt that the tariff reductions on agricultural implements were put forward by the government without a good deal of pressure from my hon. friends.

Mr. MACDONALD (Pictou): Not at all.

Mr. ARTHURS: Well, we will say inducement.

Mr. MACDONALD (Pictou): Nor inducement either.

Mr. ARTHURS: Well, moral suasion. At any rate, reductions were made.

Mr. LEWIS: We will accept the responsibility.

Mr. ARTHURS: This was the result, and I am quoting now the hon. member for Saskatoon (Mr. Evans) who, at page 105 of Hansard, said:

> In spite of the much-vaunted cut in the tariff last year, the cost of living to-day in the Dominion is quite as high or higher than it was before the paltry change was made. Goods are just as dear for the workers, the cost of production on the farms is just as high.

Surely I am quoting from good authority. Then I must refer to a certain list put upon Hansard last year by my hon. friend from London (Mr. White), which in itself was very valuable. I might point out that although various members have differed with him more or less, they all agree that the price of agricultural machinery to-day, in spite of the one or two cuts made by the government, is just as high as it was when they took office, as a matter of fact probably higher.

Some hon. MEMBERS: No, no.

Mr. ARTHURS: Come and prove it. The figures mentioned by the hon. member for London have never been questioned. He pointed out that the abolition of the sales tax more than compensated for any single reduction that had since been made. Hon. gentlemen will have an opportunity of trying to prove that these figures are not correct. But they know that they cannot disprove them, they know that his arguments are not to be controverted, and that the only thing that saved the farmers in the west was not the reduction in duty, but the removal of the sales tax—and as a matter of fact they did not get the full benefit of that. But what was the result?

Mr. EVANS: Nobody got it.

Mr. ARTHURS: The only person who got any benefit was the manufacturer of agricultural implements. The hon. member for London said that while the buyer of agricultural machinery had received a less tariff reduction than the sales tax amounted to, on the other hand the manufacturer got more for his implements, because he had the sales tax to come and go on, and besides that he was granted certain concessions in the drawback of duty on the goods which went into the manufacture of these various implements.

Mr. LEWIS: How does the hon. gentleman account for the closing of the factories that he has been speaking of for the last hour?

Mr. ARTHURS: I am coming to that. I have personal knowledge of such cases.

Mr. LEWIS: If the manufacturer got more for his goods why should he close his factory?

Mr. ARTHURS: I have very intimate knowledge of factories being closed. But the fact remains that what reductions were made were at the expense of the great iron and steel industry of Canada. I do not use the word "great" in the ordinary sense. It was a growing industry, an industry of which we were all proud, and which by all the laws of nature should be a success in Canada, for we have the greatest iron mines in the world, we have unlimited coal resources, we have the men, we have the machinery, but as a matter of fact we are gradually drifting to the position where almost every dollar's worth of our iron is being imported from the United States. I

can give a case in point. My home town happened to have the good fortune to possess a smelter. That has been closed. Do you know where the machinery has gone, Mr. Speaker? It was bought by Henry Ford and shipped to the United States.

Mr. LEWIS: We had better get Mr. Ford to run the country, I think.

Mr. ARTHURS: He appears to be getting along fairly well. As a matter of fact the condition is as I have stated it, not only in my home town but in many other towns where the iron industry predominates.

During his speech in this debate the Prime Minister quoted copiously from the Iron Age in order to bolster up the argument that things are not as good in the United States as they might be. I want to quote from the Iron Age, too; I want to give some figures from that publication for the benefit of my hon. friends to my left. They show the number of men employed and the wages paid in the furnaces and steel mills in Canada for the years 1920 and 1924, as follows:

	1920	1924
Men employed in furnaces and mills..	11,874	5,886
In secondary industries..	101,887	69,485
Wages paid—furnaces and mills	$22,824,520	$7,825,286
In secondary industries..	$125,680,417	$83,806,802

I do not say that these results are altogether attributable to the reduction in duties made by this government; I do not mean to go that far, because I want to be fair. But the uncertainty facing these people in the matter of duties has led to the laying off of hundreds and thousands of men in the industries affected; and there is no question about the fact that this is one industry which should remain in Canada. I would point out also—and I quote further from the Iron Age—that during the years 1923 and 1924 the production of pig iron in Canada decreased 52 per cent, which goes to prove what I said before. It is also shown that during 1921, thirty plants engaged in the iron and steel industries or their subsidiaries failed; in 1922, seventy-seven; in 1923, eighty-three, and so on. That shows the extent to which this industry has been affected.

I am now going to quote from an authority that will be accepted, I am sure, by the Minister of National Defence (Mr. Macdonald); I refer to Premier Armstrong of Nova Scotia. In fact, I suppose it is hardly necessary for the minister to listen to it, as he is no doubt familiar with what the Premier of Nova Scotia has said in this respect. The solution Mr. Armstrong offered when he came to Ottawa to interview the Prime Minister was this: First, a revision of the customs tariff upon iron and steel and their products, in which consideration should be given to the difficulties now hampering the steel works of Nova Scotia, and so on; lower ad valorem duties on semi-finished steel; the cutting out of numerous exemptions, and so on. He points out that in his own province the number employed in 1920 in the iron and steel industry was 13,874, while in 1922 it had fallen to 5,000, showing how hard the industry was hit in that province.

Mr. MACDONALD (Pictou): Will the hon. member permit me? It is only fair in making that comparison to say that in 1919-20 the steel industries of Nova Scotia had been working at full capacity owing to the demand for products required during the war.

Mr. ARTHURS: The war had been over two years then.

Mr. MACDONALD (Pictou): But that was immediately following the war—a conjunction of circumstances.

Mr. ARTHURS: That may be true, but the hon. gentleman will not dispute the fact that there has been depression, nor will he deny that the figures I gave are, in the main, correct; that there is unemployment and that these industries are suffering in his own province.

Mr. MACDONALD (Pictou): As a matter of fact, in the city of Sydney today the industry is working full time.

Mr. ARTHURS: Just one—the blast furnace only.

Mr. MACDONALD (Pictou): Oh, no.

Mr. ARTHURS: I have the figures. Now let me give another illustration of the effect of the want of proper protection or adequate duties.

Mr. BIRD: Before the hon. member passes from that, would he permit a question? He has been dealing with the possibility of protecting the farmer. Suppose it be possible to get the wheat farmer to accept a tariff of 40 cents a bushel on wheat. would he agree that the farmer should fix his price so as to take advantage of the tariff?

Mr. ARTHURS: I am quite willing to accept the hon. gentleman's first suggestion. I have no doubt that outside of the wheat farmer every farmer in Canada would jump at protection. So far as the wheat farmer

is concerned, I think there ought to be an embargo against wheat going to the United States, so long as they keep the duty on it; I would support that with both hands. We should not let their milling industry get the benefit of our wheat without the payment of duty—because it goes in there free for milling purposes. We should take advantage of the circumstances under which we live. I am going to take that matter up a little later on another question; I want to hurry through. The hon. gentleman will excuse me; I am certainly in favour of doing anything possible to increase the prosperity of our farmers, whether in the west or in the east. Personally I honestly believe that a protective tariff is the best course to pursue.

Mr. BIRD: Well, granting it be so, I am just a little concerned about the application of it. We will leave the wheat farmer out of it. Take the cattle producer; we will suppose there is a high protection on cattle, sufficient to allow the farmer to make cost plus. Would the hon. gentleman be willing to have the cattle growers of this country fix prices so as to take advantage of the tariff?

Mr. ARTHURS: If the farmer gets a duty on his cattle and can fix a price, why not the manufacturer?

Mr. BIRD: That is what the manufacturer does now. I want to know if the hon. gentleman will agree to have the farmer do it.

Mr. ARTHURS: Oh, life is too short; I must get through. I will discuss that at any time with my hon. friend; I am not afraid of the argument, but I have certain remarks I want to put on Hansard and the hour is getting late.

I want to point out another result of plain, ordinary tariff tinkering. I am well acquainted in the city of Hamilton, and a couple of years ago I saw a splendid manufacturing establishment going up there, built by Libby-Owens for the manufacture of window glass, the only plant of its kind in Canada. These people have been manufacturing for about twenty years in the United States, protected by a high duty. I can remember when as a hardware man I bought my first American glass, twenty years ago, imported into Canada in competition with Belgium. Well, the factory was started at a cost of $2,500,000. The duty was 12½ per cent, and I am sure no hon. member would say that was excessive. The duty was reduced by the Belgian treaty to 11½ per cent. But on account of the present position of the Belgian currency and the fact that this government gave no protection to compensate for its depreciation, the duty on this article actually became less than 3 per cent, and the result is that this factory, employing eight or nine hundred men, is closed and the $2,500,000 invested is lying idle.

Mr. EVANS: Is there not a duty as high as 35 per cent on plate glass?

Mr. ARTHURS: I am referring to ordinary window glass, not plate glass. The hon gentleman should study the tariff. Ordinarily the duty is 11½ per cent; he can verify it himself. My hon. friend can verify that later, but the fact is that this factory is closed. It used last year, or the last year of its operation 59,000 tons of good Canadian material, and it exported or shipped from its factory 18,000 tons of product, a total of 77,000 tons. The same factory used 3,000,000 feet of lumber in making cases and I forget how many thousand tons of straw and other materials were used for packing purposes. Taking only the item of freight, it represents a very large amount. When you have 77,000 tons of material it represents, practically, one hundred train loads of thirty-eight cars; my hon. friend can figure out for himself what that means. Who suffered by that and who gained? There is not a gentleman in this House who can say that he got his window glass at a rate one-quarter of a cent cheaper last year than before. But here are 800 men out of work, and 77,000 tons of material, the handling of which is lost to Canada. There is a greatly reduced demand for our lumber, for our straw, and other commodities, as a result of the closing up of this factory, and who benefits?

Mr. EVANS: Will the hon. gentleman say why this factory went out of business when it was enjoying 11 per cent protection?

Mr. ARTHURS: The hon. gentleman will permit me to correct him; I said nothing of the kind. What I said was there was 11 per cent protection nominally, but on account of the depreciation in Belgium and the competition from that country it amounted to less than 3 per cent. But even if the factory enjoyed 11 per cent protection and yet was obliged to shut down who benefits? The hon. gentleman does not get his glass one cent cheaper.

Mr. EVANS: Why did the factory shut down, 11 per cent protection is quite an advantage?

Mr. ARTHURS: Does the hon. gentleman know, or has he given a thought to, the actual conditions? Has he ever thought of the fact that the Oliver Plough Company are moving to the United States; they are no longer going to manufacture their implements in Canada?

Mr. EVANS: The hon. gentleman has treated my question with contempt. I happen to know why the Libby-Owens factory cannot compete with the rest of the glass makers.

Mr. ARTHURS: I am not treating the matter with contempt, quite the reverse. I am giving these results with regret, I am only too sorry to see the damage inflicted upon the industries in this country. There is no question about what the results are; the facts speak for themselves. This particular factory is closed, and the price of glass has not been decreased to the Canadian consumer. That is no advantage to this country; nobody in Canada has benefited, it is the Germans and the Belgians who have derived all the profit. If the hon. gentleman wants to legislate for the Belgians let him go ahead; I certainly will not follow him along that line.

Now let me consider for a short time the question of the home market. Eighty-five to ninety per cent of all the products of Canada are consumed in this country. According to American authorities from 97 to 98 per cent of the products of the United States are consumed at home. I am giving figures as quoted by the Economist which I think are fairly correct. In this House a short time ago the hon. gentleman who leads the Progressive party spoke somewhat slightingly of the home market. To what extent are the actions of the hon. gentleman and his followers tending to neglect of the home market? How much are they tending, rather, to cause Canada to send more and more of her goods to foreign countries in the hope of finding a market at all. I want to ask in view of the fact that the United States to-day is the richest country in the world—there can be no doubt about that—and her foreign trade is only two or three per cent of her total trade did the United States make her wealth at home or abroad? There can be no question of what the answer to that question must be. The United States is making money out of her home market; it is true she is lending money to foreign countries and sending whatever surplus products she may have to the foreign market, but she is making the bulk of her wealth at home; and the sooner we follow the example of the United States the better it will be for us.

Great Britain has taken care to protect herself against cheap labour. I hold in my hand the proposals of the government regarding the legislation which is to take the place of the Safeguarding of Industries Act. Under the proposed legislation it is possible to impose—and it is probable it will be enacted—a stronger protectionist tariff than Canada has had for many years. As a matter of fact under the Safeguarding of Industries Act they had duties as high as 50 or 60 per cent and those in a so-called free trade country. I should also like to call the attention of my Progressive friends to the fact that there is no country to-day, I think, with a lower tariff than Canada has at the present time. To be correct, almost every civilized country in the world is greatly increasing its tariff. The Irish Free State is putting higher duties on various articles than they ever had before. British India first increased her tariff from 11 to 15 per cent, and on some goods there is an increase in duty from 20 to 30 per cent. No later than last year an increased rate of duty on most iron and steel products was put into force. Australia has increased its tariff four times since the war. To-day it has not only a high tariff but it has brought into force a dumping clause. In addition it can appraise imports at prices corresponding to prices of similar Australian products. In other words the manufacturing selling price in Australia is taken as the dutiable value in that country.

Mr. LEWIS: Is Australia's dumping clause worse than the dumping clause in force in Canada at the present time?

Mr. ARTHURS: We have no dumping clause unfortunately.

Mr. LEWIS: We have not?

Mr. ARTHURS: No dumping clause worth anything.

Mr. LEWIS: Let my hon. friend ask the customs officials.

Mr. ARTHURS: We should have one fifteen times as strong; what we want is a real dumping clause. Look at the way in which the United States applies its dumping clause. Because of the lower freights at which the smelter at the Soo can deliver to Cleveland and other points on the Great Lakes the United States applied its dumping clause against Canada. Just imagine that in comparison with the kind of dumping clause we have.

Mr. STEWART (Humboldt): Does my hon. friend think that a dumping clause fifteen times as strong as it is at the present

time would be in accordance with the moderate tariff he has been telling us he advocates?

Mr. ARTHURS: I would prohibit dumping altogether; I would have no half-measures. In Newfoundland there has been a general increase of 5 per cent on practically all imported goods. In South Africa increases of duty were made in 1919, 1921, 1922 and 1923, applicable to almost every line of commerce. In British Guiana the ad valorem duty was increased by one-third in 1920. From time to time the rates have been further increased. In 1921 a surtax of from 15 to 30 per cent was imposed; and in 1922 the surtax was increased by another 15 per cent to 25 per cent.

Mr. STEWART (Humboldt): Do I understand the hon. gentleman to mean that he would prohibit the entry of all goods into the Canadian market that would enter into competition with our own manufactures?

Mr. ARTHURS: No, I am not talking of that at all. There is something wrong with the hon. member's thinking apparatus. We were talking about a dumping clause—not anything else. In British Honduras there was an increase of 33⅓ per cent.

Mr. STEWART (Humboldt): I suppose, as he refuses to explain when invited to do so, it would be useless to ask the hon. member what he understands by a dumping clause.

Mr. ARTHURS: I have here a list of all the countries in Europe, South America and the British Empire, and in every case there has been a decided increase in duties since the war, some of them most remarkable, running as high as 500 or 1,000 per cent. I am not going over them, but I have them here and any hon. member can look at them if he wishes.

I have a few words to say with regard to the freight situation, and I desire to point out, particularly to my hon. friends to my left, that the one great trouble with almost all Canadian conditions to-day is not the fact that we have too much or too little tariff, but that we have too high freight rates. Without regard to the condition of our tariff at all, we are paying annually to the railways approximately $500,000,000 a year. We paid last year in customs $120,000,000; or in other words we are paying four times as much in freight rates as we paid out under the total customs tariff. A reduction of five per cent on our freight rates, which would not be excessive, would be equal to a twenty per cent reduction in our tariff, which would give our friends to my left fourteen per cent bonus on their agricultural implements coming into Canada. This shows how serious the situation is, and while I do not pretend to be a freight expert, or to have a trained mind along the lines of freight or transportation charges, I cannot for the life of me see why a carload of wheat going to Fort William, to be ground for the use of the people in Fort William, should be charged two or three times as much freight as if that carload came to Fort William, was ground in transit and sent to another country. Those are the conditions. We have them in Ontario. We have got to pay a far greater rate on freight which is sent us than is paid on freight which goes right past our door to a point much further away. I pointed out last year that whereas the Canadian National Railways had fixed a rate of $9 a ton from Drumheller to Toronto or points in Ontario, or an average of $450 per carload, they were drawing crockery from Vancouver to Halifax for $360 a car, a vastly more costly article to transport, a thousand miles longer haul; still they were asking $90 less freight on it than was being paid on coal. I cannot see any justification for that and that is why I say that one of the great problems facing Canada to-day is the freight tariff. We should have some reasonable means of applying a remedy. I can see no reason for the present condition.

One other subject which I do not think has been touched upon so far is the question of pulpwood. Most hon. members have handled it with gloves, or left it alone. We have had during the last couple of years,—and would have had for five or six years more if we had not called them back—a pulpwood commission in Canada inquiring into the question of pulpwood. Eventually the government had to recall them after they started on a world's tour. The cost of that commission was something like seventy-five or eighty thousand dollars. We have their report which is absolutely non-committal. We find that propaganda is being circulated through Canada at the present time both for and against an embargo on pulpwood. The average man I think does not understand the situation. If he did, he would oppose an embargo. I think I understand the situation and I am opposed to an embargo for several reasons, but more particularly because, especially in the provinces of Ontario and Manitoba,—and I believe all the western provinces—we have two classes of pulpwood. We have the ordinary spruce pulpwood and we have a poplar which is increasing in quantity all the time, especially in this province, for which we have little or no

market in Canada at the present time. I think somewhere between ten and twenty thousand tons of poplar are used in this province. For that reason, if for no other, I would be opposed to an embargo. However, I am in favour of an export duty. I do not care whether my views are altogether in accord with the views of my associates around me or not, but I state quite frankly and freely that I am opposed to the export of raw material where it is possible to manufacture it in Canada. I am opposed to the export of asbestos in its raw state, because we control the world's market. I am opposed to the export of unrefined copper or nickel because, in a similar manner, we should be able to control the world's output and the world's price, and the labour and the profit should be conserved for our own people. In an exactly similar manner I would advocate that this government place an export duty upon pulpwood, starting, say, at fifty cents a cord, increasing the duty to a dollar the second year, a dollar and a half the next year and proceeding in that way. The result would be that the settler or owner would not suffer, but would rather benefit, because the Americans would endeavour to get the pulpwood at the lowest possible price, knowing the duty would be increased the next year. The result would be that on our present export of 1,400,000 cords per year we would have an income of $700,000, which could be used for the general purposes of Canada or for the purpose of preserving our forests both from fire and from the destroying influence of insects, which are perhaps worse than fire. Therefore I think it would be advisable that the government should carefully consider the proposition of placing an export duty on pulpwood. I am in favour, as I said before, of reserving to our own country the other assets which we have.

Mr. CARRUTHERS: Suppose you raised the export duty high enough, would it not amount to the same thing as placing an embargo on pulpwood?

Mr. ARTHURS: My proposition would be not to put it so high as to have that effect. The price of pulpwood is a variable one. The Minister of Soldiers' Civil Re-establishment (Mr. Beland) told me the other day that in the Eastern Townships they were obtaining, I think, $14 and $16 a cord for their ordinary spruce pulpwood. I speak subject to correction but I am quite satisfied there are parts of Ontario, equally accessible to the Ontario markets, where the price would be probably $10 a cord; so that, as a matter of fact, the addition of fifty cents or a dollar a cord would have very little effect on the export trade. We would have the benefit of the revenue, and there would be the possible inducement to bring the mills from the United States to Canada, if conditions were suitable.

Mr. BROWN: The hon. member spoke about raising the price from year to year, say from fifty cents to a dollar. I think I got him aright. He said that the Americans, knowing that that price would be raised, would come in and buy. The statement was made to me the other day that the Americans, anticipating an embargo, had already overbought, and that, for that reason, the price of pulpwood was lower to-day. Is that the case?

Mr. ARTHURS: From my experience I would say that such a condition is impossible. Export pulpwood as we have it in this province, because it belongs to the owner is a commodity which is produced largely by the farmer in the winter time, with the assistance, possibly, of a few extra hands, and the quantity available in the winter is more or less limited. It is limited by the quantity of help he can secure and weather conditions. If the snow is deep, very little pulpwood can be got out. If conditions are unfavourable, none is got out. Therefore, I do not think any action of our American friends in that regard could have any effect. That is my experience.

Mr. CARRUTHERS: Does this pulpwood not deteriorate very rapidly? I am told that it does and that they would not be able to secure a price if they kept it for any length of time, as it would not be of much value in making pulp and paper.

Mr. ARTHURS: It does not deteriorate at all if it is piled. If you go to one of these pulp mills, you will see where they have immense quantities piled for eight or ten years. Of course, it is peeled. If the bark is left on, it will deteriorate. As regards deterioration in the hands of the farmer, he is never that much ahead. Farmers are largely small operators; they have a few cords here and there; but in the aggregate this amounts to many millions of cords. A farmer is quite able to take care of his own quantity.

Mr. BROWN: At whose expense would the export tax be collected?

Mr. ARTHURS: That is up to the government.

Mr. BROWN: It would mean that the settler producing that pulpwood would receive that much less.

Mr. ARTHURS: I said at the beginning that I did not think so. I think the anxiety of the American or other person to get the pulpwood would be equivalent to a small increase of fifty cents a cord, and I believe it will be a dollar in a year.

I want to say just a few parting words. What we require to-day is some policy that will build up Canada. Any policy that will do this will largely solve our difficulties, especially those difficulties in connection with debt and taxation. I have some notes on taxation, but I will postpone inflicting them upon the House until a later date. What we need in Canada is a larger population, people who will build up homes, who will be happy, who will have fair wages and constant and steady employment. If a man has employment, what does he do with his wages? He spends them, and his purchases help to keep others at work and make conditions better all round. He must be fed, clothed and housed, and so must his family. He pays taxes to the municipality and to this government, thus making the burden lighter for others. But without employment he must either migrate or become a liability to the community.

This party of which I am a humble member is not composed of pessimists. We believe in Canada, but we believe in Canada for Canadians. We welcome immigrants, provided that they are ready to become good Canadians. We believe in and are proud of our natural resources, but we also believe these resources can never be developed nor the prosperity of this country restored under the policy of the present government.

Mr. H. E. LAVIGUEUR (Quebec County) (Translation): Mr. Speaker, the hon. member who has just taken his seat, told us, at the outset of his speech, that he was the eightieth to speak on the subject which is, at present, submitted to the House—the budget. The hon. member further added that he saw absolutely nothing of any value in this budget; that it is insignificant, and means nothing. I suppose that the hon. member for Parry Sound (Mr. Arthurs) came to that conclusion after listening to the numerous speeches which were delivered on the subject. Since the budget has provoked such a protracted discussion, it is a reason not to get alarmed, and we can assert, on that score, that the present government's policy, is one of progress, prosperity and especially a policy which in no way can harm the interests of the country as a whole.

Last year, Sir, some people complained that the few changes made to the tariff would bring ruin to the country and the closing of a great number of our industries. The people of this country can bear witness that nothing of the kind happened. The House itself rejoiced in noticing that the budget voted last year was truly in the interest of the Canadian people. The industries which we feared might have to suffer by these slight changes, have increased their production instead of decreasing it, and the people of this country benefited by it.

Mr. Speaker, the member for Parry Sound held the government responsible for the exodus of Canadians to the United States; he contended that for the last three years more than 500,000 Canadians have left the country to go and settle in the United States. He should have told the House what was the cause of such an exodus instead of holding the present government responsible for such a state of things. Moreover, the hon. member knows fully well that, during the difficult period of the war—from 1914 to 1918—we were busy, owing to the decision of the Tory government, who at that time was at the helm of the affairs of the country, sending our last man overseas and spending our last dollar to win the war. But, alas! what a contrast between the attitude we took and that of the Americans! While we were sending over our soldiers to fight in the ranks of the allies, our good friends, the Americans were piling up millions. Certainly, the enticement was great for Canadians who could not take part in the war, and, when our industries were at a standstill owing to the manufacturing of ammunition or otherwise, our Canadians, I say, were drawn towards the United States by the enormous salaries paid in that country where they took advantage of the war to accumulate millions by supplying the allies with all the material they needed. Is not, Mr. Speaker, the Tory government somewhat responsible for the exodus of our people to the United States during that period. Unfortunately, this state of affairs continued after the war, owing to the sad plight in which the Tory government had placed our country. What has been happening within the last few years is but the aftermath of what took place under the Tory administration. The hon. member for Parry Sound has, moreover, stated that the population of this country had not increased; he is mistaken, for it has increased, and, with the excellent immigrants that we are

drawing to this country, and especially with the sound policy of the hon. Minister of Immigration, we can hope for a greater increase in our population, which will help to carry the burden left to us by the late government.

I had no intention, Sir, to take part in this debate. I had imagined, like the hon. member for Parry Sound (Mr. Arthurs), that the time already allotted to the discussion of the budget had been more than sufficient to enlighten the House and the whole population of Canada. Nevertheless, I deem it my duty to congratulate the hon. Acting Minister of Finance (Mr. Robb) on the budget he has submitted to the House. This budget will certainly receive the approval of the House and of all the good Canadians, the thinking public, for it is the best that could be brought down under the circumstances, knowing the difficult situation in which the country is at present. I wanted, especially, as the hon. member for Quebec South (Mr. Power) has done, to recall to the House the pledges of the government towards a certain part of the Quebec district, and more particularly towards the city of Quebec. I wish to speak of the Quebec harbour and of certain urgent work which is absolutely necessary for the government to carry out without further delay.

First, I want to mention some development work to be undertaken in the harbour of Quebec. This subject is not a new one, it has been discussed in the House for a number of years past; myself, I had occasion at each session, for the last nine or ten years, to claim, together with my colleagues from Quebec, the rights of the city of Quebec on this subject.

Together with all the other members of the district and the city of Quebec, I was sorry to see that the government found it impossible, last year, owing to uncontrollable circumstances, to grant to the city of Quebec the same subsidies—large, it is true—as those that were granted to other cities, in particular to the Port of Vancouver, towards the building of the bridge on the South shore, at Montreal, for which $7,000,000 was voted, and towards the building of the Toronto viaduct, for which the House voted $18,000,000. And since, a short while ago, $7,000,000 were voted for the breast-works of the walls at Toronto, so as to build beautiful promenades and allow our fellow-citizens of the Queen city of Ontario to enjoy their walks.

I did not criticize the amounts voted for all these works, as parliament voted them after matured deliberations, because these outlays were urgent to carry out developments in certain localities. However, Quebec has certain legitimate claims, Quebec has a right that her claims should be considered, and that is why I again rise, this evening, as I have done, at each session, to demand fair-play, the same fair-play for the province of Quebec which has contributed its large share to the advent of this government and has been able to maintain it in power during the last four years, thus allowing the country to be governed in the beneficial manner it has been under the able leadership of our devoted chief, the worthy successor of Sir Wilfrid Laurier, the right hon. Prime Minister (Mr. Mackenzie King). And, if the province of Quebec has given its sincere support to the present government it is because that province, indignant at the way it had been treated by the Tory government, from 1911 to 1921, wished to avenge itself against the Tory government by sending to sit by the side of the Prime Minister, sixty-five members representing sixty-five counties of said province.

The province of Quebec, Sir, asks for no favour; I repeat this each session. The city of Quebec simply requests the government to fulfil the pledges contracted towards the city and harbour of Quebec; pledges recognized by the governments which have followed one another for the last fifteen or twenty years, and acknowledged by the solemn word of one of the Prime Ministers of the government which preceded the present one; I mean Sir Robert Borden, ex-Prime Minister of Canada, who, on various occasions, acknowledged the rights and claims of the city of Quebec and even promised to award the contracts. Not only had we moral pledges, on the part of the government, but there was more than that: there existed notarial agreements between the Dominion government and the city of Quebec. These agreements were not carried out by the late government, notwithstanding the promises made, and notwithstanding that it had recognized its legal obligation. The present government, Sir, has also pledged itself, as its predecessor, to fulfil the legitimate claims of the city of Quebec.

I wish to recall to the House the speech which was delivered, on October 22, 1913, at the Chateau Frontenac, in Quebec, by the Right Hon. Sir Robert Borden, and in which he told the citizens of Quebec that the Dominion government acknowledged their claims and would carry out the necessary work for the development of the Quebec harbour, as promised and in compliance with the existing agreements. Sir Robert Borden stated, at the time, that the development of the Quebec harbour was not a local affair, but that it was in the interest of the whole country that millions be spent for the development of our

harbour. If you will allow me, Sir, I shall quote a few excerpts from Sir Robert Borden's speech, which were included in a speech I delivered here, on September 15, 1919. Here is what Sir Robert Borden has to say in regard to the work to be carried out in the Quebec harbour:

I shall give the English text which I have here and which faithfully reports the words and phrases which Sir Robert Borden used on that occasion:

Mr. Mayor and Gentlemen:

Will you permit me in the first place to express my grateful appreciation and warm acknowledgment of the kindness and hospitality of my fellow-citizens of this city in tendering me this banquet and in extending to me so cordial a welcome and reception. Whether we worship at the same altar, whether we are affiliated with one political party or the other, we are all united by a proud confidence in the resources of our country, in the possibilities of their development, in the freedom of our institutions and in the greatness of Canada's destiny.

Welcome an Inspiration.

Your welcome is of itself an inspiration but apart from that one cannot fail to be inspired by the memories of the past when visiting this city. Here, more than three hundred years ago were laid the foundations of the Canada of to-day. If even in later years and since the birth of this Dominion it required faith and courage to persevere in this task transmitted to us by the founders of Confederation, how shall we estimate the faith, the courage and the strong purpose of those who consecrated their energies and their lives to reclaiming for the cause of Christianity and civilization what was then a vast wilderness in this western world. May the soul and purpose of our nation ever be strengthened by the memory of the ideals which inspired the pioneers of Canada when first they undertook the task which is now committed to our keeping.

Quebec is thus unique among Canadian cities, in the associations and traditions to which I have alluded. But apart from these, when one considers its majestic situation, at the portal of the greatest inland waterway of the world, its commanding position at the head of the gulf of St. Lawrence which lies like a great land-locked ocean almost at your feet, the vast territory largely undeveloped which lies tributary to this city, and the unbounded opportunities for the development of industry and of commerce which are thus afforded, one realizes the immense importance that this harbour should be so developed and equipped as to enable it to compete on at least even terms with any port on this continent for a legitimate share of the world commerce flowing to and from our shores.

Whatever differences may exist between the policies of political parties in Canada, I am sure they will be found united in the view that the great national ports of this country should be adequately equipped for the purpose which I have stated. It is in this view that I desire to set forth to you to-night the works which the government deem necessary and which they have already undertaken for the proper equipment and development of this harbour.

Must look well ahead

In approaching a question, one realizes that we must build not for to-day or to-morrow or for ten years hence, and that no proposals can be regarded as adequate unless they are so comprehensive in their character as to permit of proper extension to meet the necessities of the large future. We can estimate to some extent the probable development within a few years; but one would need a prophetic vision to foresee the enormous increase in our commerce and the equipment necessary to cope with it during the lifetime of even a single individual. Considering the resources of this country, still on the eve of development and the population flowing in marvellous streams to our shores, one may conjecture that the bright eyes of children to-day at play in your streets may still be undimmed when this Dominion shall have surpassed in population the British Islands, or that favoured land from which came the ancestors of more than two million Canadians. . . .

Must obtain western traffic

Having regard to the probable enormous development of western traffic to this city and its wonderful possibility by reason of the situation which I have described, and seeing also the necessity of providing adequately for future development, the government thought it desirable to possess an extensive waterfront on the St. Lawrence. With this view we have acquired three miles of the best waterfront in Quebec extending from Sillery to Cap Diamond; and portions of the waterfront from the Cap Diamond to the Champlain market have also been secured. This magnificent waterfront will give to the government and to the Harbour Commission the opportunity of almost unlimited development of port and terminal facilities; and I hope you will agree that in thus looking forward to the possibilities of the future the government have taken no unwise course. In adopting this policy, we feel that we are acting not in the interests of Quebec alone but in the interest of all Canada, for Canada, as a whole is concerned in the provision of modern and effective facilities necessary for the outflow and inflow of commerce at all great ports.

Whenever necessary we can also arrange for connection of the tracks between the Champlain market station and Louise Basin for the transfer of freight which can largely be carried on at night without disturbance or inconvenience to the business activities of the city. While the great union station which the government is to occupy jointly with the Canadian Pacific Railway will subserve the principal requirements of traffic, it is also desirable that there should be a station at the Champlain market for the convenience of that portion of the population in the immediate vicinity. The plans for this station are now in course of preparation and the work will be commenced at a very early date and will be carried to completion with no unnecessary delay. . .

Harbour Commission Work

Let me now advert to the work which has been carried on by the new Harbour Commission since its appointment less than a year ago. Two English engineers of eminence familiar with the problems of harbour development were instructed to draw up a general scheme for future as well as for immediate development. The plan which they proposed was most carefully considered by the commission which consulted with the railway companies, the steamship lines, captains of steamers, pilots and other competent persons and eventually concluded that the recommendations of these engineers should be carried out. Plans have accordingly been prepared in accordance therewith and the work is now under construction. The bulk-head wall on the St. Charles' side is in course of construction. . .

Ministers favour Quebec

Holding strong opinions as to the necessity of adequate equipment for our ports, I have taken a warm personal interest in the proposals for the equipment and development of Quebec. I need not assure you that Mr. Pelletier has been indefatigable

in his efforts to reach a satisfactory conclusion in these matters. Let me add that Mr. Cochrane, Mr. Rogers and Mr. Hazen have given sympathetic consideration and careful attention to every reasonable suggestion for the effective carrying-out of our proposals. The works which I have described will involve the expenditure of very large sums, but the national purposes which are to be served amply justify that expenditure.

You may see, sir, that the claims of the city of Quebec were acknowledged not only by the present government, but also by the late government, in 1916.

Mr. MEIGHEN: Hear, hear!

Mr. LAVIGUEUR (Translation): Now, Sir, the late government discontinued the work begun at Quebec; war broke out; they invoked the plea of war, and the work on the Quebec harbour was stopped.

Last year we were told, when we requested that the promises and pledges of the Dominion government towards the city of Quebec, be carried out, that the request of the Quebec Harbour Commission had been submitted a little too late to be taken into consideration. I regret this delay in starting the work on a permament basis. An amount of $500,000 has been placed at the disposal of the Quebec Harbour Commission and the preliminary work has begun. Considerable work was carried out last autumn, and now we request the government to fulfil the pledges made by the late government who neither carried out its promises nor its pledges, and who not even recognized its notarial agreements with the city of Quebec. We, therefore, ask the present government to act and to act immediately; to be just towards the city of Quebec. We, the members of the Quebec district, rely upon the good will of the government, and we hope to obtain justice—of which we have no doubt—and that the necessary amount will be voted to carry on the work. Since we have voted $10,000,000 for the Port of Vancouver and $25,000,000 or $30,000,000 for the Toronto viaduct, we trust that the amount of $10,000,000 requested by the Quebec Harbour Commission, will be granted to us. We expect that from the present government. For my part, Sir, on the plea of being a strong supporter of the government, I trust my hopes will not be in vain, and I rely upon the government to be just towards the city of Quebec.

Apart from the claims which I mentioned a few minutes ago, the city of Quebec has others. It subscribed to the government, for the construction of the Transcontinental, amounts nowhere else exceeded in Canada. Besides, the city of Quebec has transferred, as a free gift, a property valued at the time at $2,000,000, for the building of the Union station; and, for the Quebec harbour works it practically gave away—for the small sum of $60,000—land estimated at more than $3,000,000. Again, the city of Quebec has subscribed $650,000 for the construction of the Lake St. John railroad and Canadian Northern. The city of Quebec has done more to promote the building of railroads and the development of its harbour than any other city in Canada.

People will say—and it seems to me, Mr. Speaker, that I have already heard this objection voiced—that the Quebec Harbour Commission is indebted towards the government and does not meet the interest charges. Well, if the Quebec Harbour Commission has not always met the interest charges, Quebec has furnished its port for the landing of immigrants, and if every immigrant landing at Quebec had only contributed the small amount of fifty cents, I believe that would have been fully sufficient to meet the interest coming due by the harbour commission. And besides, the amounts subscribed by the city of Quebec more than fully meet the interest charges past due which the Quebec Harbour Commission may still be owing.

But, Mr. Speaker, every dollar spent in the harbour of Quebec, contrary to the practice followed elsewhere, has been charged to the account of the Quebec Harbour Commission. If the millions squandered to maintain an open channel along the St. Lawrence between Quebec and Montreal were taken into account, as well as the amount of work carried out in the port of Montreal, or in other ports, by the Department of Public Works, and which have never been charged up against these various boards, it would become apparent that much more has been done in other ports than in Quebec. As I have just stated, every time a dollar has been spent in Quebec harbour, it has been charged up against the commission, which has not been the case in other places.

Well, to-day, we are relying on our ministers, we are relying on our government, we are relying on the House, so that fair treatment be meted out to Quebec and a grant of $10,000,000 at least, be made to enable the harbour commission to carry out its development plan and develop the port, in the interest of the city of Quebec, of the province, and as it was so ably put by Sir Robert Borden, in the interest of the country at large.

Mr. CANNON (Translation): Will the hon. gentleman allow me a question? At the beginning of his remarks, the hon. gentleman has quoted a speech made by Sir Robert Borden, when Prime Minister of Canada. Were the pledges made by its Prime Minister at Quebec fulfilled by the government of Sir Robert Borden?

Mr. LAVIGUEUR (Translation): The pledges given by the government of Sir Robert Borden were never fulfilled by the government of the day, neither were they fulfilled by the succeeding government presided over by the right hon. leader of the opposition (Mr. Meighen). Notwithstanding the protests and repeated demands of the whole representation of Quebec, our claims were always ignored. And to-day we appeal to the present government to fulfil the obligations incurred by the former government, of which they have acknowledged the principle and concerning which they have pledged themselves.

I would like, Mr. Speaker, to call the attention of the House to a request for a grant to bring relief to the population of the island of Orleans which is part of the constituency of Montmorency for the provincial legislature, and which I have the honour to represent in this House. The island of Orleans is a most beautiful spot, only four or five miles distant from the city of Quebec. At certain times of the year, the six agricultural parishes of this island are completely severed from the mainland. Repeatedly we appealed to the government to obtain relief for the people of the island of Orleans and, for a few years, we have been given free use by the hon. Minister of Marine and Fisheries (Mr. Cardin), of a boat plying between Quebec and the island of Orleans, at certain seasons. The people inhabiting the island have organized a company, to ensure communications, previous to the building of that splendid bridge which the former Tory administration had positively pledged itself to build. Sir Rodolphe Forget, then member of the county, had promised a splendid bridge between the island of Orleans and the Côte de Beaupré. I have already mentioned this pledge agreed upon by the former government and I have insisted that it should be kept, but as I understand the conditions of the country are such as to prevent the fulfilment, at present, of this pledge, undertaken by the former government towards the people of that island. We, therefore, request from the present government, the hon. Acting Minister of Finance (Mr. Robb) to kindly grant a subsidy to a company of enterprising citizens of the island of Orleans, who have formed a company, subscribed the necessary capital and have awarded a contract for the building of a boat that will carry on a regular service, winter and summer, between the island of Orleans and the mainland, this will have for effect to relieve in the future the Marine department from the necessity of placing a boat at the disposal of those people at certain periods of the year. I requested from the hon. Minister of Trade and Commerce (Mr. Low) a yearly subsidy of $3,000, so as to help this company and allow it to give a useful service, and I do hope that the hon. Minister of Trade and Commerce, who is always well disposed when it is a question of just and reasonable requests, will not refuse these people such a small subsidy and will follow the good example given by the provincial government which has granted this company a subsidy of $4,000 per year, during twenty-five years, so as to help them to build a boat for that service. I, therefore, rely upon the government to grant this subsidy to the directors of this new company of the island of Orleans.

Allow me, Sir, to remind the House that, last year, a subsidy of $10,000 was voted for repairs to be made to the breast-works of the walls of St. Gregoire de Montmorency. This amount was spent and we ask now that there be included in the supplementary estimates, an additional sum necessary to complete the work, pursuant to the report sent to the department by the district engineers. I shall avail myself of the presence of the hon. Minister of Defence (Mr. Macdonald) to advise him to dispose of the Valcartier camp which served for mobilization of contingents sent to Europe, during the war. This land was purchased by the government who expropriated a number of Valcartier families, and these, to-day, wish to buy back their lands. The expropriations carried out by the government were responsible for the scattering of the sixty-five families. We, therefore have now sixty-five good farmers with their families who are ready to return to the land. There is no better work to be performed than to encourage our fellow citizens of Quebec, or of any other province, to remain on the land and continue to farm it. I would therefore, suggest to the hon. Minister of Defence (Mr. Macdonald) to kindly give his attention to this request and allow those farmers who were expropriated to take back possession of their lands in consideration of a price, if not small, at least reasonable.

I should like also, Sir to strongly support the steps already taken by the hon. member for Lotbinière (Mr. Vien) and the other

members of the Quebec district, in regard to the completion of the Quebec bridge. I mean the building of a vehicle thoroughfare on the bridge. It has always been understood, and the citizens of Quebec have always looked at it in that light, that the Quebec bridge would be completed, since the government took charge of it. When a company, composed of enterprising citizens of Quebec, was formed to build this bridge, it was a question at the time, not only to build a bridge upon which ten or fifteen trains would circulate per day, but to build at the same time a thoroughfare for vehicles and pedestrians. We are told that the estimated cost of a vehicle roadway on the Quebec bridge would be about $500,000. I think that the government should have no hesitation in making such an outlay to complete this bridge, which is one of the marvels of this world, and which, once completed, would be a further attraction for the numerous tourists who visit Quebec. I know beforehand that the provincial government, as usual, would be disposed to do their share, if necessary, also the interested municipalities. I, therefore, ask the government to kindly give consideration to such a request, together with the others I made, and to well receive this claim, which has already been so ably put forth by the hon. member for Lotbinière and the other members of the Quebec district.

I wish to add a few words in regard to the Gaspé railway, which the government was often requested to take over. The province of Quebec has even made an official request to that effect. As we succeeded in finding millions for the improvement of railways in other parts, we should be able to find means to do justice to the good people of Gaspé, and Bonaventure by allowing the management of the National Railways to take over the Gaspé railway. I cannot too strongly support the requests of the hon. member for Gaspé, the distinguished Speaker of this House, and the hon. member for Bonaventure (Mr Marcil) who very much wish to have this question settled.

Mr. Speaker, before closing my remarks, I make a last appeal to the government who is morally pledged to carry out the development and improvement of the Quebec harbour. I am glad to see that the present government wish to honour their obligations. We are told that the depositors of the Home Bank will be indemnified, that this is a moral obligation on the part of the government. I, therefore, hope, Sir, that if the government wish to honour the pledge agreed upon to develop the Quebec harbour, the ministers representing the province of Quebec, will soon give us the good news that an amount of $10,000,000 has been placed at the disposal of the Quebec Harbour Commission. I feel certain that the people of that province will be thankful for it, and I can further assure the government that the electoral divisions of the Quebec district will do their duty, as they did in 1917 and 1921, by sending to Ottawa, to support the new government of Mackenzie King, after the next general elections, all the members of the district of Quebec.

Mr. C. WALLACE STEWART (Humboldt): I cannot refrain from making a comment on the hour of the night at which I rise to take part in the debate, but I understand that the whips have been totalling up the pages of Hansard that have already been covered in this discussion and have come to the conclusion that the time has arrived when we must make an effort to conclude our remarks within a reasonable length of time. I would not go so far as to say that I resent having to speak at this hour, but I do feel that it is rather unfortunate, from my own standpoint, that I should be the first upon whom the blow should fall and that I should be obliged to place before the House so late in the night the remarks I desire to make. I may assure you, Mr. Speaker, that it may be quite late when we get through to-night if I am required to complete the statements which I wish to make.

Just in passing, while I am speaking of the lengthy remarks that have been made, I would point out that there are now, as I believe, over 650 pages of Hansard covered by this budget debate, of which half may be credited to the members on the opposite side of the House while two-thirds of the remainder may be credited to the party who sit to my right. An hon. member says discredited; I would not say that. But those in this part of the House are not to blame for unduly prolonging the debate. We have taken our turn, it is true, but we have not been unduly long in the remarks we have made to the House; we have tried to place our viewpoint concisely before hon. members and I shall endeavour to do the same to-night.

I do not want to approach a discussion of the budget proposals in any attitude of mere carping criticism; I propose to discuss the budget itself and the amendment that has been submitted by the official opposition, and I shall deal with both in the same temper. I trust I am in a position to accept the advice of Lord Bacon, who declared:

> Read, not to contradict and to confute, nor to believe and take for granted, but to weigh and consider.

It is in that frame of mind that I would approach both the motion and the proposed amendment. Now, I was elected a member of this House independent of any party, and I stand to-night independent of any party shackles, free of any prejudice that may be the influence of any party affiliations. Since coming into this House I have been able to view the proposals put forward by the government from a wholly non-partisan standpoint. I have no objection to anyone referring to those who sit in this corner as a party, so far as our organization here is concerned. But if the word is used in its full and recognized significance, as it is applied to the two old political parties, I repudiate its application to us.

Mr. STANSELL: Does the hon. member contend that we on this side are in any different position?

Mr. STEWART (Humboldt): Perhaps I have not made myself clear, but I shall endeavour to do so. After having listened to the volume of debate to which I have already referred, coming from members of the party who sit to my right, I cannot but draw the conclusion that at least their party affiliation has had something to do with the unanimous attitude in which they have approached and criticized budget proposals. I might say the same thing with regard to the majority of those government supporters who have spoken at considerable length in behalf of the policies enunciated in this year's budget; I believe that in a great many cases their party affiliation has had a direct influence upon the statements they have made. From statements that have been made by some of the same gentlemen in this House—and statements which perhaps have been more frequently made outside—I have been led to believe in the past that those gentlemen advocated a policy somewhat different from that which is outlined in the budget proposals that we are now considering.

I was sent here by my constituents as an independent and with a free hand. As I have translated their mandate, it was that I should view, as Bacon has advised, the proposals put forward regardless of where they came from, not with any thought that because of their source I must oppose them or, on the other hand, that I must support them, but to view them wholly on their merits, and to support them if their merits seemed to justify them in my judgment. I am approaching this budget, I say, in that attitude, and having fully considered it, I find that it is not in accord with the mandate I received from my electors. I want to be fair, I want to give the government credit for those policies which I think are wise, but having weighed the whole, I must frankly confess at the outset of my remarks that I do not view the major proposals, particularly the fiscal and the taxation policy, with favour. The first two budgets that were presented to this House during the life of this parliament I opposed for similar reasons. The budget of last year I supported, and I make no apology for having done so, although, I have been criticized in some quarters for my action. I make no apology, I say, for having supported that budget. And I do not hesitate to state further that if the government had this year made similar proposals, even going no further than those of last year, I would have supported them again. I am well aware that the government are labouring under certain difficulties in the raising of revenue, and that in their field of taxation they are somewhat limited, owing to the fact that they have to encroach upon every sphere of taxation and that they have to raise revenue wherever revenue can be obtained. But because I was sent here with a definite mandate to obtain, if possible, tariff reductions and more forms of direct taxation, I cannot agree to the proposals along those lines that appear in the budget.

I have tried not to form this judgment from a mere casual consideration of this year's proposals, but to sum up the results of the government's policies during its three years of office. In so far as the tariff reductions are concerned, I am very much disappointed when I see the result of that summing up. I have not very much faith in averages in regard to tariffs, but when we take the gross customs duties that have been collected and compare them with our total imports year by year, it at least indicates the direction in which we are heading, and I am going to ask the forbearance of the House for a few moments while I place some figures on Hansard. I ask, Mr. Speaker, that I be permitted to read only the initial figures, indicating millions or hundreds of thousands as the case may be, and that I be allowed to place on Hansard the full figures. This statement has to do with the customs duties levied and collected and the imports during the years that can properly be taken as indicating the results of the policies of this government. I start with the fiscal year 1922-23, during which our total imports were 802 millions plus, and our gross customs revenues were 133 millions plus. Out of that figure, though, there was returned in drawbacks $15,000,000, leaving a net of $118,000,000. The percentage of the total imports on the free list was 33 plus per cent.

Mr. McMASTER: Free or dutiable?

Mr. STEWART (Humboldt): The percentage of total imports on the free list was 33 plus per cent. The net customs revenues of the year represent (A) of the total imports 14.7 per cent, and (B) of the dutiable imports 21.9 per cent. The next year, 1923-24, our total imports were 893 millions plus, the gross customs revenues 135 millions plus, the drawbacks 13 millions plus, the net customs revenues 121 millions, the percentage of the total imports on the free list 34 minus per cent. I am making a note of this percentage of imports on the free list for a purpose, and you will notice that it is not materially different from the year previous—33 plus the year before, 34 minus this year, or less than half of one per cent difference. The net customs revenues of the year represent (A) of the total imports 13.6 per cent, and (B) of the dutiable imports 24.5 per cent—a slight decrease in the item in which I am particularly concerned that is, the percentage of dutiable imports. In the year 1924-25, that is the current year with which we are now concerned, the total imports are 650 millions plus, the gross customs revenues—the items comparing with those which I have given for the other two years have not been available to me. The net customs revenue, as estimated by the department, was 108 millions, although I noticed by a return placed on Hansard yesterday, in answer to a question, that it exceeds the estimate, being 120 millions; but I have not changed my percentages, having used the lesser figure of 108 million dollars. The net customs revenues represent (A) of the total imports a percentage of 16.6 per cent, but if the figure that has been supplied by the government is correct that will be considerably larger.

The statement is as follows:

Statement of total import trade and customs revenues

1922-23. total imports..	$802,579,244
Gross customs revenues..	133,803,587
Returned dates and drawbacks..	15,747,118
Net customs revenues..	118,056,469
Percentage of total imports on free list.	33 per cent
Net customs revenues represent of (a) total imports..	14.7 per cent
of (b) dutiable imports..	21.9 per cent
1923-24, total imports..	$893,366,867
Gross customs revenues..	135,103,672
Returned duties and drawbacks..	13,602,874
Net customs revenues..	121,500,798
Percentage of total imports on free list.	34.7 per cent
Net customs revenues represent of (a) total imports..	13.6 per cent
of (b) dutiable imports..	20.5 per cent
1924-25, total imports..	$650,894,554
Gross customs revenues and drawbacks.	(Not available)
Net customs revenues (Est)..	$108,200,000
Percentage of total imports on free list..	(Not available)
Net customs revenues represent of (a) total imports..	16.6 per cent

So I point out that from these figures I am led to believe that the fiscal policy of the government is not materially reducing the customs tariff. I am not going to place further statistics on record, but I make the statement that my observations have led me to believe that this is not only true in a general sense, it is also true in a particular sense, that the items in which we are especially interested in having placed either on a lower basis or on the free list have not been materially altered. I would refer to the statement made by the hon. member for Centre Winnipeg (Mr. Woodsworth) when he spoke a few days ago. He referred to the fact that last year the reduction of duties on agricultural implements, according to certain figures that he had worked out, would not amount to more than 83 cents on a half section farm. His figures, perhaps, could be manipulated so that the reduction would show even less than that, or I have no doubt they could be arranged to show something more. At any rate, they are near enough to accuracy to indicate that the reductions of last year have not made a very great difference to the cost to the consumer of those implements upon which the duties were reduced.

Mr. McMASTER: Before the hon. member proceeds further along this line, should he not give credit for the reduction which would almost inevitably take place in the price of the home-produced machinery as well?

Mr. STEWART (Humboldt): Yes, I am perfectly willing to do that. I think it was the hon. member for Brome (Mr. McMaster) who directed the attention of the hon. member for Centre Winnipeg (Mr. Woodsworth), to that; and I think it is quite true. If we are to inquire into the actual cash reduction that has been made, we shall, of course, have to take the total of our home consumption, compare it with our imports, and multiply it out. It would increase to a considerable extent the amount that has been realized. I think it was the hon. member for Assiniboia (Mr. Gould) who said earlier this evening that in the purchase of implements for his farming operations he had benefited by the reduction to the extent of $5. It has been said that those who have purchased heavily in that kind of machinery have realized to a larger extent than that, but at best the average has not been high. However, as I said a little while ago, I have no apologies to make, no regrets to express, for having supported the government in the attempt they made in this direction last year, and if they

had given some indication that they were headed this year in the same direction and that they proposed to make similar reductions on those articles that are the necessities of life or that are the implements used in our primary production, I would have supported them again this year. But because that feature of their policy is conspicuous by its absence, not alone in the budget proposals but in the speeches that have been made by the supporters of the government, I take the stand that I cannot support the proposals that are made this year.

Mr. MACDONALD (Pictou): Will my hon. friend permit me? Does he know that the revenues of this country declined $52,000,000 this past year, and does he realize the difficulty of getting revenue?

Mr. STEWART (Humboldt): Yes, the hon. gentleman is quite right, and that is why I took the trouble to put all these figures on record rather than the averages. Some hon. members in this debate have quoted averages alone, and averages do not, of course, correctly represent the situation unless one takes into consideration the fact that the imports have been reduced. I made the statement that for 1924-25 our imports have been reduced from $893,000,000 to $650,000,000, but when I take the customs revenues that have been acquired from those imports I find that the percentage is about the same.

Mr. MACDONALD (Pictou): What method does my hon. friend propose whereby the falling revenues can be sustained?

Mr. STEWART (Humboldt): I think it was two years ago, Mr. Speaker, that in speaking to the budget I dwelt at some length on certain taxation proposals that I advocated. I have referred to them already this evening under the general heading of more direct taxation. The hon. gentleman, I think, fully understands what I mean by that. My chief objection to the tariff policy of this government, or of any government for that matter—my chief objection to the raising of revenue through tariff is that it is an indirect form of taxation. Of course I could go much further than that. The hon. member for Brome would call my attention to the fact that the tariff tax is not reflected wholly in the revenues of the country but that it is a much larger item than that; being an indirect tax it is misused to the extent that we pay many dollars out, perhaps, for every dollar that finds its way into the revenues. Direct methods of taxation are what I advocate. I do not propose at this time to go into the matter in detail or to specify any particular system, any more than to assure the hon. member who is representing the government to-night that any system of direct taxation that has the least principle of fairness on its face, I will support, rather than—

Mr. MACDONALD (Pictou): It is pretty hard to find new avenues, in Canada.

Mr. STEWART (Humboldt): It may be hard to find new avenues. In fact I think I have already mentioned that I realize the government have already explored perhaps almost every field. But I think they have not fully covered every field; it may be possible for them to go further. And I will support them when they go further in imposing direct taxation, provided that they reduce our indirect taxes through the customs duties at the same time.

Mr. McMASTER: If the hon. member will permit a question, is it not also true that a number of our duties are so high that they yield little or no revenue because all goods of foreign production are kept out?

Mr. STEWART (Humboldt): I wholly agree with the line of thought that is inferred in the statement made by the hon. member for Brome, and I thank him for bringing that to the attention of the House so concisely.

I want to make a further statement with regard to the attitude of the government supporters in this House and the press supporting the government throughout the country. I cannot say I recall having heard a member of the government use the term "concession" with regard to present tariff proposals, but they have made statements that leave a similar inference. I have been surprised at the number of times the expression "tariff concession" has been used in the press, particularly in editorial comments, during the last few months. It seems to me a most peculiar thing, if I understand the meaning of the term "concession," that the attitude or the policy of the government when it is towards the lowering of customs duties should be termed by the press as a "tariff concession." If there is any such thing as a tariff concession it is when a special interest is given the protection of a tariff, not when the general industries of the country are relieved of the burden of taxation through the tariff. I say I reproach the supporters of the government who have left that inference—and there are several of them who have—and I further express my surprise that the press which supports this government should use that term "tariff concessions" with regard to the policies of a government which was elected

on a platform promising that there would be tariff reduction.

Turning to the financial statement of the Acting Minister of Finance, I do not propose to go to the extremes that hon. members to my left have gone. I do not consider the financial statement baffling, nor do I think it is iniquitous. I have certain proposals I wish to make—certain suggestions, perhaps it would be better to say. The government have probably taken the matter of psychology into consideration—not particularly this government—because it has been shown to us, I think, in a way that cannot be refuted, that the form of accounting and the form of this budget itself are not materially different from those applicable to the budgets which have been presented by a goodly number of finance ministers in the past. But I do believe that finance ministers, in making up their statement of accounting, are apt to take into consideration the psychology of the people. They probably look for the political effect on the mind and the thought of the people, and for that reason the form of the financial statement has been such as to draw forth severe criticism from some hon. members of this House. I say that I do not criticize the present Acting Minister of Finance, or any of his predecessors in particular. I think there has been a general tendency—which is not discreditable to the present government; the provincial governments, and probably the governments of all countries do the same—to present the financial statement in the best possible light. I would suggest, however, that our present financial statement is not wholly adequate to the needs of the country at the present time. Without disputing the figures that are placed before us, without claiming that improper inferences have been drawn from the figures submitted to us, I do submit that further details could be given to us that would make the financial situation of Canada more intelligible to the average citizen. We have had presented to us a budget which shows a surplus; at the same time figures have been brought forward showing that when our major liability, that is our railroads, is taken into consideration, that surplus disappears into thin air and is replaced by a deficit. Those figures do not appear plainly in the financial statement offered to us by the Acting Minister of Finance; and my suggestion is that although that statement may well compare with other statements given in the past the fact that it is similar to budgets brought down five or six, or even ten years ago is perhaps nothing to its credit, and I believe it could be improved upon to some extent. The leader of our group stated that he was not an accountant but only a plain business man. I too claim no particular right to be advising the Minister of Finance as to how he should do his accounting; but as a plain man I do state that I think the budget figures could be given to us in a more comprehensive form than they have been given. The fact that we have at the same time a surplus and a deficit is confusing to some minds to say the least. The fact that there has been a falling off in revenue due to a reduction in the total imports into the country might be more plainly set out in the financial statement.

Before passing too far away from the matter of the tariff proposals I want to touch on the announcement of the Acting Minister of Finance that the government intends to appoint a tariff commission. I listened with very great interest to reasons given by the hon. member for Cape Breton South and Richmond (Mr. Kyte) as to why he supported the present proposal although he had opposed it on a previous occasion. He told us that when the Conservative party were in power —they being in his estimation a high tariff government—he considered it his duty to oppose their recommendation for a tariff commission at that time. I wonder if he realized that when he was making that candid statement he was furnishing arguments against the creation of a tariff commission to those sitting here who hold views similar to those I have expressed to-night—reasons why we could not favour such a proposal at this time. If we were convinced that the present government favours lower tariff than did the government in office at the time my hon. friend refers to, his argument might have some effect. But the contrary being the case, his argument as to why we could not support a tariff commission a number of years ago still holds good in so far as I am concerned and I think the same may be said for a number of my colleagues. I cannot refrain from repeating certain arguments that were used in the debate of 1912 because I think they very well state the case against the proposed tariff commission; and the fact that they were advanced by a gentleman who until recently was a member of the party now sitting on the government benches should lend some weight to them. The Hon. Mr. Maclean, then member for Halifax, speaking in this House in February, 1912—and his statement will be found at page 2642 of Hansard of that year—made the following declaration:

I am opposed to this bill, because I believe it is a violation of constitutional practice in all British countries; because it directly or indirectly, and perhaps unconsciously, assumes to give a tariff commission powers of legislation.

That is his first objection, and it appears to me to be one of the strongest that I can urge.

Mr. MACDONALD (Pictou): My hon. friend is arguing about something that does not exist. It is not the proposal of this government to set up a tariff commission similar to the one proposed by the government in 1911-12. It is only proposed that certain officials, with probably an additional member representing the interests to which my hon. friend would be especially devoted, may be employed for the purpose of preparing data. We do not propose to create any tariff board that is going to prepare a tariff, such as the government of that day proposed.

Mr. STEWART (Humboldt): I think it most unfortunate that a full and clear explanation with respect to the proposed tariff commission was not made at the time of the announcement that a tariff commission would be appointed. I think it also unfortunate that—

Mr. MACDONALD (Pictou): I want to say to my hon. friend that nothing was said by the Acting Minister of Finance that warrants his assertion that we propose to create any such board as the Borden government contemplated.

Mr. STEWART (Humboldt): Then it is highly unfortunate that the present government should have announced a commission of such a character and with the same name, regardless of whether it is proposed to confer upon it the same wide power. If that is not the intention I am very glad to have the correction of the hon. minister. At the same time the principle that underlies both propositions is the subject of attack in the few further sentences I propose to read:

I object to it because it tends to weaken the doctrine of ministerial responsibility as it obtains in all British countries. I object to it because the duties which, under the bill, are assigned to a commission, refer to matters which in all British countries are dealt with directly by the responsible advisers of the crown.

Mr. MACDONALD (Pictou): My hon. friend again misapprehends the situation. There was nothing said by the Acting Minister of Finance that would indicate by any manner of means that this ministry sought to absolve itself of responsibility and place it upon any board. We are simply providing for an arrangement under which data might be gathered. No power is to be given to any organization to raise or lower the tariff, and Mr. Maclean's argument referred to a board that was to be entrusted with that power.

Mr. STEWART (Humboldt): The minister's explanation may have a material effect on my criticism of the proposed tariff commission as I understand it; but there is one further statement that perhaps will satisfy the hon. gentleman that I have a just ground of objection to the proposed commission. Here is one statement at least that is applicable to the present proposal whether the statement made by the minister be accepted or not.

I object to the bill, because the purpose sought to be attained by it can be better attained by less expensive and less objectionable methods.

I object to it further because it seeks in a manner, in a veiled manner perhaps, to validate by a statute the doctrine of protection in this country.

The last statement, I think, applies to the proposed commission as well as to any other commission of that character that might be formed. It seeks to give a definite understanding to the people that the present government wishes or desires to perpetuate the tariff; it tends to create an impression in the public mind that the present government are seeking information and will obtain that information not from all sources but from certain prejudiced sources.

Mr. MACDONALD (Pictou): My hon. friend is entirely wrong. Why should anything of that kind occur?

Mr. STEWART (Humboldt): Permit me to give an illustration of what the people are thinking. We have in this country a railway commission. I have heard that commission criticized at various times by people, who are much interested in the rulings it makes, because they are the people who eventually have to pay, and the criticism that is levelled against the railway commission is that they are by their position enabled to secure one side of the story very readily and easily. The railways may come to them with a claim, it is placed before them in a plausible manner, and it looks to them to be wise to adopt or to admit the plea of the railway; but those people scattered all over the country who have to foot the bill, find it very difficult indeed to concentrate their information on the matter and bring it to the attention of the railway commission. They have a way of bringing it to the attention of the government in this House, because 235 members have been sent here for that purpose, but these people have no easy way of presenting their concentrated information before the railway commission: And I claim that we will have

the same objection and the same suspicion regarding this commission. Although the hon. gentleman says I am altogether too suspicious, I tell him I only represent the people and I assure him they will be suspicious of any commission which is set up, where those who are seeking tariff protection can go to the commission and give information to them, while those who are footing the bill all over the country find it difficult to approach that commission.

Mr. MACDONALD (Pictou): The hon. member wants to be fair, but he is certainly under a misapprehension. The criticisms he suggests with regard to the railway commission may have some basis by reason of the fact that the representatives of the people do not have the same opportunity of discussing questions before that body before the orders are given in the same way that they have of discussing matters in this House. But I want to have it distinctly understood there is no proposal by this government to get rid of ministerial responsibility for one moment; and in the case of this board which it is proposed to create, the government of the day will be absolutely responsible for anything that is proposed to this House and my hon. friend can discuss the matter in the House, just as he can now. It is entirely different from the railway commission and the analogy he draws is not applicable.

Mr. STEWART (Humboldt): In so far as the rulings of the Board of Railway Commissioners are concerned, we have the privilege of discussing them in this House sometimes long after they have been made and when the evil effects have gone so far as to be beyond recall. I know the minister will say I am too suspicious; but the fear which I have at the present time with regard to the tariff commission which it is proposed shall act in an advisory capacity towards the government is that it will have acted in a similar manner to the railway commission, or that the advice of the commission will have been acted upon by the government before we are in a position to take action, and the position will be the same as it is with regard to the railway commission.

Mr. MACDONALD (Pictou): I desire to point out that any board acting under the government of the day would only be obtaining data for the information of the government, and that such a board would have no legislative or regulative power with regard to the tariff whatever; but the government would submit a budget just as they are submitting one now, and every hon. member would have a right to discuss it before it became law, which is an entirely different position to that of the railway commission.

Mr. STEWART (Humboldt): There is that difference I am free to admit. If it has no legislative power—and I accept the word of the hon. gentleman representing the government that they do not propose to give it legislative power—it has that advantage, and we would have an opportunity to discuss, at least to some extent, their proposals.

Mr. MACDONALD (Pictou): Just the same as hon. members can discuss proposals of the government now.

Mr. STEWART (Humboldt): No, not to the same extent as we have now, because the business of that commission would be to secure information with regard to the tariff, and we know, as I have already said, how easy it is for certain concentrated interests, corporations, for example, to bring their viewpoint to bear and to make it bear very forcibly on the commission, while it is so very difficult for the great mass of the people to present their viewpoint.

Mr. MACDONALD (Pictou): I am sorry my hon. friend thinks the government should bring down a budget without having any information before presenting it. That is the logical result of my hon. friend's argument.

Mr. STEWART (Humboldt): No, I do not think they should bring it down without information at all, but if the hon. member is seriously contending that the tariff commission is absolutely for nothing but information alone, I am going to read to him again the statement that was made by the hon. member for Halifax back in 1912. He said:

> I object to the bill because the purpose sought to be attained by it can be better attained by less expensive and less objectionable methods.

Passing from that proposal of the Acting Minister of Finance I take up another of his taxation proposals. That is the amendment to the War Revenue Act, and by that amendment he proposes to alter the effect of a certain clause in the act. That clause provides that all papers addressed to a bank on which money is paid shall bear stamps. By mutual consent I presume certain of those papers have been exempted up to the present time, but it is now proposed that these papers shall bear a tax stamp, and it is to this matter I particularly wish to refer. I believe that it has been mutually agreed to exempt certain papers. The papers referred to are issued in payment

for grain, known as grain tickets, and in payment of cream, known as cream or milk tickets—

Mr. McMASTER: Are they cashing them at the bank?

Mr. STEWART (Humboldt): They are. I do not wish to camouflage the situation in the least. I want to say frankly that in my estimation they are cheques. They are honoured by the bank and payment is made. Although in the past the government apparently has looked upon them as something other than cheques, it is now proposed to look upon them as cheques, and place the tax upon them the same as is placed upon cheques. Well they are receipts but they are also cheques, and I would prefer if the government treated them as cheques, and if the government is going to tax them, then tax them just the same as other cheques. But I will make my protest because I do not think that tax should be levied. I would admit it is asking for a special exemption to be made, but let me point out, Mr. Speaker, that in the application of this War Revenue Act and this particular clause of it which provides for placing stamps upon cheques, an exemption has already been made to which I and many other members took exception, that all cheques for sums over $2,500 should be exempt from taxation. One dollar tax is the limit. I regret very much that the acting minister is not here in order that I might address myself to him primarily. If there were not an exemption in that act, I would hesitate to ask him to make a special exemption in favour of these gentlemen, although it might be necessary to do so. They are primary producers and producers on a small scale. Those who are benefiting under this clause have benefited under it for a special reason which I shall refer to. But because there is an exception already made, because it is not wholly justified, and because I took exception to it before, I am going to ask for a further exemption to be granted, and to ask that the cheque for produce from the primary producer, when issued for sums under ten dollars, should be exempt from taxation.

I regret almost as much that the Minister of Agriculture (Mr. Motherwell) is not in his seat. I should like to point out to him certain things which, it seems to me, he must have overlooked in connection with this tax, or he would have devoted a little less time to the Hudson bay and a little to this when he made his speech a few days ago. Over a number of years in western Canada our best farmers—and many of them have been in our legislatures, some of them members of the government, and the Minister of Agriculture has been one of them—have been endeavouring to induce those who are engaged in the dairy industry to produce a better quality of cream, in such a manner to raise the quality of their product, a product which has to be exported, and thus by raising the quality of their produce, to bring to themselves a greater remuneration than they could possibly hope to receive for a lower quality product. It is probably not necessary for me to do this, but I am going to give a little of the reason why this was one of the methods used to induce producers of cream to produce cream of a high quality. Of course, there are other factors that enter into the quality of cream than its delivery to the creamery, but one of the chief factors that has to do with the quality of cream is the time at which it reaches the butter maker after it has been taken from the milk. Gentlemen of eastern Canada, perhaps, do not realize to the full extent the handicap that farmers in the west labour under as regards distances. I have recollections of creameries and cheese factories that are dotted over certain parts of Ontario and that I knew years ago when I lived here, and I know none of the patrons of those industries had to take their milk or cream any great distance to the factory. But in western Canada, that is a handicap. It is always difficult to get a sufficient quantity of cream within reasonable distance of a factory so that it can be delivered there while it is in a fair state of freshness. Years ago it was recognized that the fact that cream was being held too long on the farms was tending to lessen its quality. Therefore, this idea was put forward of making it possible that payments should be made every time the dairy farmer delivered his can of cream. That was carried out, and that is the policy that is followed in practically all the creameries of western Canada to-day in order to induce the dairy farmer to bring in his cream. It was realized that the dairy farmer producing cream was, in many cases, producing it because he needed a little ready cash as time went on. It was not his main industry, only a side line, and one of the inducements for him to bring in his cream was to give him a ticket which he could cash for his cream can every time he brought it in. I am going to quote what an owner and operator of a creamery said to me just a few months before I came to Ottawa. This bears directly on the matter, although at that time he had no idea there was to be any such move as this to put a tax on the

tickets he was issuing. He stated that in the last two or three years there had been more improvement in the quality as well as the quantity of the cream that was delivered to him than in the previous fifteen years he had been operating the creamery. One of the things that tended towards that was that he induced his patrons to bring their cream to him, if not every day, only a few days old, and the cream being brought to him while it was in a proper state of freshness, produced the proper quality of butter, the result being that he was able to pay a higher price for the cream and obtain a higher price for his product. Those tickets have been free of the two cent tax, but it is now proposed that they shall bear it. This is going to be a financial burden upon the dairy farmer, although the dairy farmer is not able to pay any further tax. The government have admitted in the past that our primary producers are worthy of special consideration, but in this instance they are overlooking that. It is estimated and, I think, very accurately, that this will place a burden of $100,000 by way of taxation on the cream producers of the three western provinces. These tickets that are issued for cream are almost invariably for sums less than $5. Very rarely they run over $5.

Mr. McMASTER: Is it necessary to issue them every time the cream is brought in?

Mr. STEWART (Humboldt): I have tried to point out that that method was adopted as an inducement. In many cases at the present time it would not be necessary, but our industry is still in its infant stages.

Mr. McMASTER: I hope the hon. member is not going to use the infant industry argument that is used so often. I do not like to hear that from the west.

Mr. STEWART (Humboldt): It may be worn out as regards the west, but I have noticed that it is a splendid argument to use in this House and, perhaps, I may be permitted to use it just as others have done.

Mr. DECHENE: It is one form of protection.

Mr. STEWART (Humboldt): This is not a form of protection.

Mr. DECHENE: To help an industry in its infancy?

Mr. STEWART (Humboldt): No, I am placing this on purely a business and what I consider a fair basis. I have said there are already exemptions. A man who does his business by issuing cheques of $2,000 or over, has the benefit of an exemption. There may be good reasons for this although I question it. If that gentleman has this privilege, why not give to the man who does his business in these small amounts, some similar exemption? On a transaction of $2,500, the business man, wheat farmer or anybody who does business in items of that size pays one dollar of a tax, but on cream tickets the tax on $2,500 would at a very conservative estimate amount to $10. Is there any fairness or justice in that? Is that asking for protection or for fair play? The hon. member for Brome says: Why should these tickets have to be issued in such small amounts?

Mr. McMASTER: It does not look businesslike.

Mr. STEWART (Humboldt): I have already attempted to show to the hon. gentleman that there is a reason for this. When the results are as good as they have been in the western provinces, this is surely good business. This has been the best kind of business for western Canada. It has built up our dairy business there from practically nothing until it takes second place to none in the Dominion as regards quality, and we are growing in the quantity of the butter that we export. It is just with regard to the quality that the emphasis has to be placed on the system that is used. It might seem that I am unduly stressing this particular point, but I think I am not. I said that I was sorry the Minister of Agriculture was not with us. If he were, I am sure he would think back to the years when he himself took an active part in establishing, perhaps, the very system that is in vogue now, because he laid a good deal of the foundation of our dairy industry in Saskatchewan and he would realize that at one fell swoop here the government is wiping away one method that was very efficient in bringing about the desired results. I am going to ask the Acting Minister of Finance to reconsider this. I hope, although he is out of reach of my words, Hansard will be brought to his attention and he may be asked to reconsider the imposition of this tax, not because of the amount of it, that is insignificant so far as our revenues are concerned, but it is a very considerable amount to place upon those who—and again I venture to bring upon myself the censure of the hon. member for Brome—to place upon those who are still engaged in what I may term an "infant industry;" many of them are just beginning to start into dairying in the west.

I do not know what the temper of the House is, Mr. Speaker—

Mr. McMASTER: Go on.

Mr. STEWART (Humboldt): Hon. gentlemen who are sitting around me are, I know, doing so to give me courage that I may carry on; I know hon. gentlemen opposite are growing very tired; and as I have a number of comments to make yet, and it is now almost one o'clock, I would ask that I be allowed to adjourn the debate.

Mr. MACDONALD (Pictou): Mr. Speaker, it was understood between the whips that the debate would go on until one o'clock, but I think we are sufficiently close to the hour that if my hon. friend cannot finish within that time I would offer no objection to his adjourning the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Macdonald (Pictou) the House adjourned at 12.55 a.m. (Friday).

Friday, April 24, 1925

The House met at three o'clock.

YUKON QUARTZ MINING

Mr. PIUS MICHAUD (Restigouche and Madawaska) presented the first report of the select standing committee on Mines, Minerals and Waterways, reporting with amendments Bill No. 6, to amend the Yukon Quartz Mining Act.

MIGRATORY BIRDS CONVENTION

Hon. CHARLES STEWART (Minister of the Interior) moved for leave to introduce Bill No. 44, to amend the Migratory Birds Convention Act.

He said: This bill makes only three minor amendments to the act. The first, an amendment to section 4, makes provision for regulations which can be made conformable to the regulations of the province with reference to a person having game in his possession in the closed season. The necessity for this has arisen on account of a case which was taken to the court of appeal in Manitoba, where the party having the game in his possession, which would have been legal under the provincial law, was prosecuted. We are amending the act so as to make it conform with the provincial law. Section 2, amending section 5, permits us to have the game and fishery officers of the Ontario government act as game wardens for the enforcement of the Migratory Birds Convention Act. The amendment to section 6 is for the purpose of bringing into effect the amendment to section 4. There is no radical change in the act, just minor amendments for the purpose of making the act uniform in practice with that of the province.

Motion agreed to and bill read the first time.

PRIVILEGE—MR. MURDOCK

On the Orders of the Day:

Hon. JAMES MURDOCK (Minister of Labour): I arise to a question of privilege. Hansard at page 2384 records the hon. member for Parry Sound (Mr. Arthurs) last night as having made certain statements referring to myself to which I think it only fair to make brief reference. The hon. gentleman was discussing the very much debated question of Canadians going to the United States and Canadians returning, and he had been reading a statement alleged to have been made by Mr. MacNeil of the Great War Veterans. On page 2385 of Hansard he proceeds to say:

> In this connection I should like to remark that the Minister of Labour stated that many of these people are returning to Canada again and gave figures showing that in 1923, 43,432 returned and in 1924 the number was 43,316. He stated that these figures represented Canadians who had paid the $8 head tax and had obtained a refund on their return to Canada. I am quite sure that the minister, if he thinks the matter over in a sober manner and after due reflection, will not repeat that statement in public, because the figures as furnished by the American authorities of those who have actually returned and received a refund of head tax, during the five months beginning with April 1924 are respectively 265, 215, 259, 199 and 190. That is a vastly different story, because those figures constitute less than one-fiftieth of the number claimed by the Minister of Labour. I have other extracts on the subject, but I have no desire to take up time by reading them.

On February 9th, in this House, a considerable discussion along the same lines took place and that evening I sent a night lettergram as follows:

> Ottawa, February 9th, 1925.

Mr. MEIGHEN: I rise to a point of order. The hon. minister is evidently about to adduce—in fact he is already in process of adducing—an argument which would be an integral part of a debate. At this point the Orders of the Day cannot be availed of for that purpose. It is clear, even from the quotation which the hon. member has made, that there could be no matter of personal privilege involved at all.

Mr. MURDOCK: This is a question of personal privilege. It is intimated that the statements I gave to the House were false.

I propose, and I think it only consistent to show they were true.

Some hon. MEMBERS: Order, order.

Mr. SPEAKER: The hon. gentleman is speaking to a point of order—

Mr. MURDOCK: I am just going to give the original document received from the Secretary of Labour of the United States indicating whether my statements are false or true.

Mr. SPEAKER: If it is a question of privilege and affecting the honour of the hon. gentleman, he can only speak to that point and correct the statement made by the hon. member on the ground that he was misquoted or that he was practically described as a gentleman who did not speak the truth. If that is the point raised by the hon. gentleman it is certainly a question of privilege. The hon. gentleman should not however make a long speech. He should simply indicate how the statement made by the hon. member from Parry Sound (Mr. Arthurs) was not according to the facts and one affecting his honour.

Mr. MEIGHEN: I want to make myself clear on this point. What I contend is this: The mere fact that one member has disputed the correctness of another member's statement is not an aspersion on his honour at all.

Mr. MURDOCK: There is more than that involved in this, as I will show before I get through.

Mr. MEIGHEN: The hon. gentleman said that that was precisely what was involved. It is not an aspersion on his honour, and is no foundation for a question of privilege.

Mr. ARTHURS: I had no desire to impeach the hon. gentleman's honour. I was quoting from figures and statements made by a gentleman whose name I gave, and the fact that the hon. member's figures and my figures did not agree, so far as I can see, is no reflection either upon the minister or myself. This is a matter which constantly occurs in the House, and I do not see any reason why the hon. member should proceed to make a speech.

Mr. MURDOCK: The hon. member said:

> I am quite sure that the minister, if he thinks the matter over in a sober manner and after due reflection, will not repeat that statement in public.

I propose to repeat it.

Mr. SPEAKER: It happens every day that hon. members on one side will make statements that they consider true, and hon. members on the other side will controvert those statements when they consider they are incorrect. This does not constitute a question of privilege unless the honour of an hon. gentleman is impugned. Impeaching the honour of an hon. member would give rise to a question of privilege; but in the present instance, from what I can gather, the hon. member from Parry Sound (Mr. Arthurs), had no intention at all to impugn the honour of the hon. gentleman, and I cannot detect a question of privilege.

Mr. MURDOCK: I desire to conform to the wish of the House, but I claim that the hon. gentleman in his speech in substance called me a liar. That is exactly what it amounts to, and this is a question of personal privilege to show who is misrepresenting.

Mr. SPEAKER: Order. If an hon. gentleman makes a statement denying what another gentleman has said, provided it is done in a gentlemanly way, it should not be considered as impugning his honour. I have been told on many occasions that I did not know what I was talking about, or that the statement I had made was not true. The other day an hon. gentleman said that a statement made by another hon. gentleman was false. I thought that was rather harsh, and I said that such statements should not be made in the House as between gentlemen. But, in the present instance, I do not see that the honour of the Minister of Labour has been impugned. Therefore I do not consider there is a question of privilege involved.

Mr. MURDOCK: May I say another word?

Mr. SPEAKER: Yes.

Mr. MURDOCK: Is it not a question of privilege for me to show the authority for my statements in order to show if they were false?

Mr. STEVENS: Order. It is ruled upon.

Mr. MURDOCK: Do I understand that I may proceed?

Mr. SPEAKER: The hon. member may speak. I want to hear what he has to say.

Mr. MURDOCK: I placed certain figures—

Mr. STEVENS: I rise to a point of order.

Mr. SPEAKER: The figures that are controverted in the present instance have already been put in a regular way upon Hansard by the Minister of Labour. The other figures were put upon Hansard last night by the hon. member for Parry Sound (Mr. Arthurs). These two conflicting statements about the

number of Canadians emigrating to or coming from the United States do not constitute the shadow of a question of honour as between two hon. gentlemen, and therefore, in my humble judgment, I rule that there is no question of privilege in that. The hon. gentleman is simply enlarging his rights to take part in the debate, by replying at this stage. As the hon. gentleman (Mr. Murdock) has already spoken once, he must await another opportunity to reply.

Mr. MURDOCK: I did place certain figures on Hansard, but I did not give the letters of transmissions with which those figures were received.

Mr. STEVENS: I rise to a point of order.

The SPEAKER: The ruling of the Chair must be obeyed. Of course, the hon. gentleman may appeal from my ruling.

PEACE RIVER RAILWAY OUTLET

On the Orders of the Day:

Mr. D. M. KENNEDY (West Edmonton): Does the Minister of Railways and Canals consider calling a conference regarding the Peace River railway transportation question within the next few days, or soon?

Mr. STEVENS: We are all very anxious to know.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): My experience with conferences is not such as to encourage me to have very many. The matter is not being lost sight of at all, and discussions are taking place, but I would not dignify them by the name of conferences.

Mr. KENNEDY (Edmonton): Does that mean "no" to the question? It is hardly an answer.

Mr. GRAHAM: I am sorry that my hon. friend asks me so many questions about this. I must be allowed to select my own answers.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Thursday, April 23, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. C. WALLACE STEWART (Humboldt): Mr. Speaker, before this debate was adjourned last night or, perhaps, more accurately, early to-day, I had attempted to place candidly and frankly before the House certain reasons why I objected to the budget proposals this year. I had made the statement that it was because the fiscal and taxation policies reflected through those budget proposals were not in accord with any that I could support that I must oppose this budget. I had also made certain objections to the tariff commission that is proposed. I had also offered a suggestion as to an enlargement that might possibly be made of our annual financial statement that would make the financial condition of this country plainer to the average man. I had, in conclusion, last evening touched upon one of the taxation proposals or an amendment to a taxation proposal that is contained in the budget, namely, the enlargement of the application of the stamp tax on cheques to include certain papers which, prior to the present, have been exempted.

I had pointed out to the Acting Minister of Finance (Mr. Robb) in his absence—and I am glad to note to-day he is in his seat and I hope he will give some attention to the statements which I made last night—that it was not a matter of asking for something that was not already recognized in the act. The act recognizes that exemptions are to be allowed; it always has recognized that. I tried to point out to him that it was bringing an unfortunate injustice to bear upon certain primary producers if he insisted that this tax be made to cover particularly those tickets or papers which have been issued and used in securing payment for cream, in the western provinces. I trust the minister will give some attention to the arguments that have been adduced. I am quite certain that before this debate is concluded other members who are just as interested as I am in the dairy farmers of this country, will place before the minister, if not similar arguments, at least arguments just as valid and strong as those I have attempted to give.

Now, Sir, proceeding, I want to touch briefly upon the amendment that has been submitted to the budget proposals of the Acting Minister of Finance. I said last night that I had attempted to approach the consideration of the budget this year without undue partisan feeling, without any shackles of party affiliations to bind me, and that I had come to my conclusions by duly considering the budget proposals before us. I said that I had attempted to approach the amendment in the same way. After having considered the amendment in that way, it seems

to me that I can state my attitude towards it perhaps by likening it to certain theatrical scenery that is very commonly used at the present time on almost every stage in this country. We have often seen before us on the stage a beautiful piece of scenery; and without any lifting of the curtain, by a playing of lights from the back upon the screen, that beautiful picture entirely disappears and another view takes its place. It is all a matter of how and where the lights are manipulated; the curtain itself remains stationary, and the scene changes as varying lights are thrown upon the screen. Now, so far as the amendment is concerned I must say that to a member in my position it bears some likeness to this changing scenery; I think there is a simile between the two. There are certain things in the amendment that appeal to me, but after all the lights of this debate have been played upon it for the length of time we have now discussed these proposals, I am bound to say that the original beauty of the picture it presented has disappeared. By means largely of the lights played upon it, not from directly opposite sides but by gentlemen behind the scenes, we see now in place of the flowers of lower taxation which we beheld before, huge and barren rocks in the form of additional tariff burdens. It is hardly necessary for me after making that comment to say that I am in no better position to support the amendment than to support the budget.

I want to turn now to two or three matters which I consider of urgent importance, and first of all I shall touch upon one which has been for some time, and certainly at the moment is paramount in the minds not only of hon. members of this House but of intelligent citizens throughout the country; I refer to our railways and the whole problem of transportation. I do not intend to go at any great length into this question but I have one concrete suggestion which I desire to bring to the attention of the House. To my mind the problem of finding some solution for the difficulties in regard to our National railways as well as of the whole question of railway transportation costs generally is a matter of primary importance and should receive the consideration of parliament before anything else. As we are all aware, our National railways are carrying on under the handicap of an immense debt; and in view of the overhead charges which they have to face, the present prospects give absolutely no hope of our being able to meet the situation by means of the earning power of the railways. A year ago when the report of the committee considering nationally owned railways and shipping was presented to the House it was advocated—I myself advocated it in the debate—that the capitalization of the Canadian National Railways should be reduced. And that is a matter to which I wish to direct the attention of the House just now. Various proposals might be made for the reducing of this capitalization and I shall submit one or two. It has been suggested recently in this House, and there have been comments in the press to the same purpose, that the proper solution would be found in the nationalization of the great competing line of the National system, that is to say, the Canadian Pacific Railway, and the union of the two systems into one great whole. I am in accord with those who look to this proposal as something that will eventually materialize, but at the same time I want to consider just now the situation as it actually is; I want to consider what the question is that we have to deal with immediately. I would point out that even if we contemplated such an undertaking there would still be a necessity for re-valuing the Canadian National railways, and I would suggest reducing the capitalization of the Canadian National system at the present time by at least the current balance sheet deficit, which is a matter of some $344,000,000. That would then place the Canadian National Railways in the position of having equal assets and liabilities, at least in so far as the accounts and paper figures are concerned. We might go further than that, we might cancel the whole of that item termed "loans from the Dominion of Canada and interest thereon," amounting to over $598,000,000. Or we might go even further still; personally, I would go so far as to suggest the cancellation of that portion of the overhead which falls within the Dominion of Canada account. If hon. members will take the annual statement of the Canadian National Railways and turn to the balance sheet they will find items under the heading "Dominion of Canada account" totalling some $1,142,000,000. I would wipe that out. Perhaps some hon. gentlemen who have not given this matter as careful study as they might would think we were reducing the capitalization too low, but I would point out that this would then leave a balance of liabilities in connection with the Canadian National railways of $1,271,000,000, after having reduced the total by nearly half. It would place the railways in this advantageous position, that their assets would then exceed their liabilities by $803,000,000, and the capital investment remaining therein, in the way of

a bonded debt to the public, would be $913,913,000, which would be interest-bearing. That would be the actual capitalization on which the system would still have to pay interest. Let me compare that with the capitalization of the Canadian Pacific Railway. According to a statement recently issued by that company, including their capital stock as part of the capitalization, together with their debentures, mortgages and bonds, all of which bear interest, the total capitalization on which they are paying interest amounts to a little more than $670,000,000.

Mr. GOOD: Does that include dividends on the stock, and additional interest on bonds?

Mr. STEWART (Humboldt): It includes the capital stock; that is the capital on which they pay dividends. Now, the earnings last year of the Canadian Pacific Railway were over $47,000,000, while the earnings during the same period of the Canadian National Railways were a little over $21,000,000. If the element of competition were eliminated, and we got rid of all duplication of service, and if the capitalization of the Canadian National Railways were reduced by the amount I have suggested, it will be seen that, even leaving out of consideration any advantages that might accrue to the railways as a result of being under one management and co-operating instead of working in competition with each other, the joint concern would then be in a position, by reason of their earning capacity as reflected in the statement recently placed before us, to pay on the total capitalization interest at the rate of 4.3 per cent. That, it is true, would not be sufficient to cover the total interest indebtedness and overhead charges which the railways have to meet at the present time. It is a fact that both the Canadian Pacific Railway and the Canadian National Railways have bonds bearing interest as low as 3 per cent; but unfortunately the Canadian National Railways in particular have a very considerable amount of bonded indebtedness at 6 and 7 per cent. So that a larger earning than they have at present would be necessary. It will be seen however that I have not taken into consideration the important element of improvement which would accrue from the amalgamation of the two systems. I am in no position to know what could be saved by deleting duplication or by the lack of competition, and I am quite certain that that would enter very largely into these figures—I would not even venture to estimate to what extent but I am certain that it would very largely affect these figures—and that the railways would then be in a position to pay interest on all the indebtedness that would remain, and perhaps they would also be able to make a return to the treasury, if such were desired.

But before I leave the point I want to give this reason why the capitalization of the Canadian National Railways should be reduced. A great deal of money has been sunk in the Canadian National Railways which at present is not reflected in their earning power. There are causes for that which I do not propose to discuss, but the facts are that that money, having been spent, is now lost so far as its earning power is concerned, and the only way in which we can say who should pay the interest upon it is to trace where the money has gone. It is very difficult to tell where this money went to, particularly that invested in some of the government railways and in some of the Canadian Northern lines built a number of years ago. But at any rate it found its way into channels of trade, the labouring people secured some benefit at the time, and no doubt business also secured some benefit through this money being put in circulation, and those parts of our people secured at least as much, if not more, benefit from the money thus expended than did the primary producers on the land, in the forests and in the mines, who by supplying the bulk of the freight for our railways are conferring a greater benefit than they can ever in future hope to obtain from the expenditure of that money. Therefore I submit, Sir, it is only right that as a nation we should now and for all time take over the capitalization that we cannot realize upon and place it with our national debt, making the interest charges upon it a national charge, not to be placed against those who are attempting to produce and are supplying freight to our National railways. That is my reason for saying that this is the first step that should be taken, regardless of what other steps we may take afterwards.

Now, I want to touch upon one other matter that I consider to be urgently in need of attention in this House by way of legislation. I refer to long-term credits. I do not propose to enter into a long argument on this, I simply want to call the attention of the government to the report of their commissioner, Dr. Tory, and to a certain plan outlined in his report. I am well aware of the fact that long-term credits are not in very good standing in this country. I do not seriously criticize the government for having hesitated before embarking on any scheme; I think they have been well advised to secure all the information possible

on this matter. Our provincial governments have for varying reasons found that the schemes they have tried have not been wholly successful. But according to the report of Dr. Tory, and other evidence which I propose to submit, certain schemes of long-term credits have been successful. Dr. Tory refers to the third plan, known as the American plan. He says:

A third and certainly feasible plan would be to adopt outright the principle of the American Farm Loan Board, and establish land banks distributed suitably over the country. The details of this plan will be found from page 40 onward in the report of last year.

Then he goes on to tell the advantages of that plan. Now I propose to read some evidence as to the effectiveness of this plan. I have in my hand an editorial taken from the Buffalo Express of April 14, 1925. Similar comments appeared, to my own knowledge, in other American newspapers about that time, made on the report of Mr. R. A. Cooper, Federal Farm Loans Commissioner, which I presume was submitted at about the date this editorial appeared:

The federal farm-loan system has been in operation eight years, and the losses sustained by the banks in loaning to farmers reflect the ability and willingness of the borrowers to fulfil their contracts and the judgment of the commissioners in making the loans.

Foreclosures of mortgages by the federal farm-loan system in eight years total three-tenths of one per cent, says Commissoner Cooper. These losses on real estate total only one day's net profits of the government loaning institutions. Yet the loans amounted to $1,535,198,933, divided among 403,906 farmers. The farm-loan land banks found it necessary to institute foreclosure proceedings in 4,701 instances, but the number of farms acquired is only 1,271. The joint-stock land banks have acquired only 125 farms. Thus over 400,000 mortgages continue in good standing or have been paid off.

I submit, Mr. Speaker, that with such evidence as this before them the government are not justified in further delaying a scheme which is so urgently needed to assist our farmers at the present time.

It has been already pointed out in this House that there is need for the enlargement of the application of the Bankruptcy Act. I am in agreement with that opinion. Some of our farmers—and I am not going to pause now to place the blame—are in such circumstances that no long-term credit system could help them; it would not be safe, it would not be good business to lend them money. But I would suggest that those men having been once bitten will be twice shy, and that if they were released from the financial entanglements in which they find themselves they would be a greater asset to us than any new immigrants that we might bring in to fill their places—that if they could be placed in a position where they could start afresh under such a scheme as has been suggested here then they would be an asset and not a liability to the country.

Another matter which I think is urgently in need of attention, Mr. Speaker, is the desirability of amendments to the Grain Act, and I simply want to call this to the notice of the government. The Minister of Trade and Commerce, as I recollect, a few days ago stated that he considered it would be wiser to leave these amendments over for a year's consideration. I submit, Sir, that for one reason it would not be wise to defer action until next session. I can understand the attitude of those who say that this is an important matter and should receive serious consideration, and if it were not for this one thing that I am about to point out I think I would be inclined to agree with the minister. But in the last year we in western Canada have adopted a new system of marketing our grain, the pooling system, and because the present act does not protect our pools, was not in fact drawn to meet their requirements, I submit that we have before us the necessity of at least providing such amendments as would cover the case of these wheat pools in the conduct of their business for another year.

In conclusion, Mr. Speaker, there is one other matter that I want to touch upon, and it is worthy of much more intensive consideration than I propose to give to it this afternoon—I mean immigration. I do not intend to treat this as a hypothetical question or one that can be considered apart from the everyday circumstances in which we find ourselves. If the policies of the government were different, I think we might regard this question in a different way, but we are trying to carry on, and until we can change the present policies we must cut our cloth accordingly. I am not one of those, although I admit conditions are not favourable to immigrants, who would say that we should wholly exclude them; but I would very largely limit the scope of immigration at the present time. I am wholly in accord with those who say that it is unwise to spend large sums of money in an attempt to entice immigrants to this country. I shall not go into the matter of our loss of population—that has a direct bearing upon it. But after all, I submit that very largely it hinges upon the policies that this government has adopted, and until those policies are changed, as I have said before, we must trim our sails to suit the passing breeze. There are certain

people who can come to this country even under the present unfavourable conditions. Let me give an instance. The constituency that I represent here is very cosmopolitan in its population. In one part about eighty per cent are of Scandinavian extraction. Another quite extensive corner of the constituency is to a very considerable extent Icelandic. Another section of it is peopled largely by those of German extraction; another French, another Ruthenian. So you can understand that I speak with first-hand knowledge of the peoples that are coming to this country. Referring particularly to the Scandinavian peoples, and including with them the Icelanders, I consider that those who come here from those countries should be welcomed and that we should put nothing in the way of their entry into Canada. I had occasion to discuss one of the sources of our Scandinavian immigration with the manager of certain newspapers that circulate among our Scandinavian population in western Canada and also have a certain circulation in Norway and Sweden; I refer to the two papers, Norrona, and Svenska Canada—Tidningen, or the Swedish Canadian News. I did not know just what was the nature of the advertising these papers were carrying, because I do not read or speak either the Norwegian or the Swedish language. I had seen so many advertisements scattered by this government, and some by previous governments, that were misleading, that painted in far too bright colours the possibilities of this country, that I took occasion to direct the attention of the manager and owner of these publications to the fact. I did not directly accuse him of doing the same thing, but I pointed out that I considered it most unwise that newspapers or any other form of advertising in this country should picture too brightly the possibilities of Canada for intending immigrants. He told me that such was not the case with his paper and that he would place the evidence in my hands. I have here a letter from the editor of these papers and I wish to place on record a few of the statements made therein. He says he is enclosing some extracts to prove his statement about the attitude taken by these publications, and that he believes those extracts to be typical. This is from the editor and the writer of most of the articles that are of an advertising nature so far as immigration is concerned:

> I, for myself, and on behalf of the other writers for those two papers, absolutely protest against the accusation that we have been painting Canada in too rosy colors. We have only been telling facts, and besides, we have time and again warned the wrong kind of people to come. We have told our readers that they must work hard in order to succeed, as is shown—

And he refers to certain extracts. He says further:

> We want the man with the real pioneer spirit who is eager to tackle a hard job and who knows beforehand that he has to endure many hardships before he can succeed. That has been the spirit both of our special articles and of our editorials.

From the results that I have observed from this kind of advertising, Mr. Speaker, I am bound to say that these people are coming here knowing that they have a difficult task to assume, and they are assuming it in the spirit of our early pioneers. I would urge the government, then, to continue that feature of their immigration programme; no obstacle should be put in the way of the entry of such people into this country.

Before I take my seat I want to say to this government that I cannot support an immigration scheme much wider in its scope that that—that is, of simply allowing those to come here who can see possibilities greater than they are at present enjoying, knowing the full circumstances of the case. I am of the opinion, however, that it would be possible so to change the policies of our government, particularly in regard to taxation, that this country would be much more enticing to those in foreign lands. I would say further that the change in policy that I advocate is certainly not along the lines of that which has been advocated so unanimously and so strenuously by those to our immediate right in this House. I am in agreement with those who have stated that our native population is great; that the building up of our country depends upon the building up of our population. It is therefore because I cannot agree with the present fiscal policies or taxation proposals of this government, and because I think the sooner the people have an opportunity of voicing their opinions upon these matters the better it will be for all concerned, that I am opposing the present budget, knowing full well, as I do, what that opposition means.

Mr. J. F. FAFARD (L'Islet) (Translation): Mr. Speaker, we have been listening, for the last few weeks, to so much talk about protection that, last night I dreamt of protection. I saw in a dark shaded spot, I might even say infernal, a crowd that I recognized as having seen sitting on your left, Sir. Somewhat astonished, I hastened to inquire what brought them to that place, and they answered, grinding their teeth: "The people found us out, and punished us.".

Mr. FOURNIER (Translation): Did the hon. member also meet Progressives there?

Mr. FAFARD (Translation): My hon. friend inquires whether I met any Progressives there: I can say that I did not see any in the flames, but I came across some on the road, who seemed to be very shaky, and told me that I was the only one, being a Liberal, that could save them.

Mr. Speaker, we often hear about economy. We like, on this side of the House, to hear about economy, because it is a virtue we practise. However, I can assure you that I do not like to take my cue, on economy, from our opponents who sit on the opposite side of the House. I wish to be fair towards my opponents and set aside the years of the war: the policy of unlimited participation which they had adopted, obliged them to spend enormous sums, and I quite understand that during the year that followed the war, they had to make great outlays owing to demobilization; however, if you look up the year 1920, two years after the war, you will perceive that these gentlemen had a deficit of $674,000,000. These figures are so exorbitant that the people, as a whole, and even the financiers cannot conceive its enormity. $674,000,000, Sir, this means $56,000,000 per month, more than $13,000,000 per week and nearly $2,000,000 per day! And the same gentlemen wish to teach us economy, when the budget shows a surplus of nearly $2,000,000!

Our debt, Sir, is enormous, this we cannot deny, and we realize it, when we find that the interest we have to meet each year on Canada's debt is equal to the total debt of pre-war days, and is even larger. It would be criminal, with our present population, to tax the people in order to make them pay this debt. Such a policy would bring ruin to our country. It would overburden the people with taxation, paralyze trade, ruin our industries and prevent the development of our natural resources. The most suitable policy is the one followed by the present government, which consists in fostering the development of our natural resources.

Notwithstanding the enormity of our debt, Sir, I am glad to note that we can compare advantageously with other nations of this world. Canada's debt per capita, is $268; New Zealand, $792; England, $791; France, $540 and Australia, $359. And our situation would still be better, if our political opponents, when in power, had followed the example of England and the United States, and had taxed during the conflict, the war profiteers, instead of exempting them by means of the Victory bonds, from paying taxes during and after the war.

I think, Sir, that we have too many pessimists who make use of their brains and talents to try and show that business is bad and that we are on the verge of bankruptcy, people that are ready to sacrifice the country to satisfy their political ambition. If you compare our obligations with the extent of our wealth, you will perceive that, after all, they are not so enormous. Without taking into acount the wealth of our forests, mines, fisheries and water powers, we notice that the mortgage which burdens Canada to-day, amounts to only $1.00 per acre of land; and, if we include our natural resources which I have just mentioned, we note that the mortgage amounts to only two or three cents per acre. The ex-Minister of Finance (Sir Henry Drayton), in the course of this debate, told us that the Americans had invested in this country a capital of $2,500,000,000, which means that, the American capital alone, invested in Canada is sufficient to redeem the whole debt of this country. We must neither forget that our forest wealth amounts to $3,000,000,000; that is the latter alone is greater than Canada's total obligations. This is certainly not an example of a country on the verge of bankruptcy.

If we wish to follow in the path of prosperity, we must face the future with confidence. When the explorer, in his travels, crosses the forest, he is guided by the Polar star, so should true Canadians be guided by the star of patriotism.

Mr. FOURNIER: Hear, hear!

Mr. FAFARD (Translation): Mr. Speaker, free trade and high protection were threshed out. I shall never become a free trader as long as the United States keep up the present tariff wall against us. I can neither side with those high protectionists who wish to concentrate the country's wealth amongst a group of persons, instead of spreading it amongst the masses. I think there should be a readjustment of the tariff on articles of first necessity, so as to help the masses and thereby keep our people in this country.

Our opponents, faithful advocates of the large interests, proclaimed everywhere that lowering the tariff has brought on a great number of failures. Yet, if you look up the report regarding trade failures in Canada you will note that in 1914, when these gentlemen were in power, there were 2,898 failures. Moreover, in 1915, when the country enjoyed a fictitious prosperity, brought on by the war,

there were in Canada 2,661 failures. Let us now return to the Liberal administration, whose lowering of the tariff is supposed to have ruined the country; we find that in 1923, there were 448 failures less than in 1922. Even after the budget of 1924, which was expected to ruin the country, we remark 1,221 failures less than in 1922. These figures taken from the statistics of Canada, cannot be disputed. The right hon. leader of the opposition (Mr. Meighen), last summer, travelled through the country stating everywhere that 2,000 industries had become bankrupts. Nevertheless, in the city of Ottawa, last autumn, at the meeting of the Canadian Manufacturers Association, one of its most distinguished members stated, that not 2,000, but 1,331 industries had closed their doors. And one bit of news that the leader of the opposition took care to hide from the people, was that 934 new factories had opened their doors.

Some hon. MEMBERS: Hear, hear!

Mr. FAFARD (Translation): It was equally stated that the boot and shoe industry was ruined. From 1921 to 1923, the number of factories increased from 177 to 186 and the value of their output also increased by $1,000,000. Everywhere it was said that this industry suffered greatly from the preferential tariff granted to Great Britain; and yet, the Canadian output amounted to $45,596,012 in 1923, and the imports from Great Britain amounted to only $604,472.

I think, Sir, that the leader of the opposition will find it difficult to convince the people that he is sincere, even when he speaks of high protective tariff. If he was in earnest, nothing could have prevented him in 1911, from raising the tariff. It was in the course of the year 1911, that reciprocity was defeated in Canada. If, Sir, the farmers, at present, find it hard to trade with their neighbours to the south, the culprits are those who were responsible for the defeat of reciprocity. The Liberal party has always been the friend of the farmer. We may thank the Liberal party for having lowered the tariff on farm implements and on all instruments of production which are used in the development of our natural resources.

Tariff increase on potatoes was discussed among certain groups, and in particular, Sir, by the opposition. I am aware that the policy aimed at is not so much to increase the tariff on potatoes as to increase it on farm implements; it means simply that they want to allow a few cents more per 100 lbs. of potatoes and charge the farmer from thirty to forty dollars more, when selling him some farm implement needed. I have the honour to represent a county which is almost exclusively devoted to farming, and I am willing to do my utmost to help the farmer, as I think he is most deserving. Money is scarce in the rural districts, the crops were not very good and the products give but a small return; the farmer is somewhat depressed, as he must do the work alone, owing to the impossibility of finding farmhands. I would even say that sometimes he does not receive fair play. When public works are undertaken in towns, prices are fixed beforehand and we pay practically twice what is paid for the same work when undertaken in a rural district. I have often wondered what could be the remedy for such a situation. Some have said: Raise the tariff to the level of that of the United States. Well, Sir, I have more confidence than that, in my country. The United States have a population of 115,000,000 people; they regulate their tariff according to the needs of their country, and, I think, that Canada, with her 9,000,000 inhabitants, has a right to put up a tariff which suits the Canadians. It is quite clear that, if you increase the tariff on potatoes, butter and other products, the American products will not reach our markets; however, would this be the right remedy? In my opinion, this would only tend to lower transportation rates.

I spent the Easter holidays in my county. Potatoes are sold 25 cents per bushel, that is in round figures 37 cents per 100 lbs. Is there any thinking person, in this House, who will maintain that the Americans can take 100 lbs. of potatoes to the borders, pay 35 cents of a duty on these 100 lbs. and sell them on our markets, especially if we reckon that their freight rates are 15 per cent higher than ours. Surely one cannot conceive the idea that the Americans who are so highly praised in this House, will come to our markets and sell potatoes which will bring them but 2 cents per 100 lbs.

Butter was mentioned. I happened to receive yesterday, the report of the Dairy branch for February, 1925. The question is, would it be wise to raise the tariff on butter? This would be absolutely absurd for, I see by the statistical report that the United States have exported to Canada 50 lbs of butter only. This is a proof that our tariff is high enough. However, I have been told that a number of carloads of potatoes have been sold in the west. It may be that in this case a higher tariff should be sought. In my opinion, however, it is an absolutely wrong principle and I would prefer, instead of raising the tariff, that we reduce the freight rates,

which amounts to the same thing and allows us to be consistent with ourselves. There is something else which we must bear in mind, it is our exportation of potatoes. We export eight times more—that is 3,000,000 bushels more—than we import. Potatoes, reputed to come from the United States do not compete much with ours. Sweet potatoes, for instance, come from the United States, but offer no competition to ours, as we grow very few. At this time of the year we have new potatoes which come from Florida. One cannot contend that they compete with ours, because they are a luxury bought only by wealthy people.

There was also question of raising the tariff on eggs. I notice, Sir, that these requests always come from the Conservative side. We may say that since the present government has been returned to power, the importation of Chinese eggs has practically stopped; not on account of the tariff, but through classification, and our imports from the United States have decreased by 6,727,000 dozens.

I think, Mr. Speaker, that the Liberal party's policy has been advantageous to the farmer. I equally believe that the people are not sufficiently enlightened as to the meaning of the word protection. One generally looks upon protection as a measure to protect us, when, as a rule it is a measure to exploit the people. There exists an easy way to do away with protection or at least to diminish it in a perceptible manner, it would be to oblige industries or manufacturers who benefit by protection to indicate on their vouchers the Canadian price and also the amount they benefit by protection. We have been led to believe, in our province, that a high protective tariff was necessary to develop our industries; that the latter would give work to farmers' sons and, moreover, create markets for every farmer. Well, Sir, when we consider our farm products, I do not think that in this present century, the industries can absorb all these products. Take, for instance, our wheat, I think we could feed a population of 80 to 90 million people.

We are also told that the United States had prospered under protection. I am not one of those who put a great deal of faith in the prosperity of the United States, and especially in the prosperity of the American farmer. Are you aware, Sir, that in Canada 98 per cent of the farmers own their land, while in the United States, a country, where prosperity seems to reign, 40 per cent of the farmers are but tenants. As to bankruptcies, they have been far more numerous in the United States than in Canada. Moreover, to give you further proof of what protection has been unable to accomplish, to help the farmer, will you allow me to quote a few lines from the speech delivered in this House, on April 6, 1925, by the hon. member for Brome (Mr. McMaster):

> The figures which I have before me purport to show that the gross cost to the farmers of the protective principle is $426,000,000; that, in other words, what they have to buy has been artificially increased in price to the extent of $426,000,000; that the price of what they have to sell has been artificially increased to the extent of $125,000,000, and that, therefore, the net cost to agriculture is $301,000,000.

I think, Sir, that these figures prove clearly that the Americans do not enjoy the prosperity that we believe they do. And I find one of the best proofs of my assertion, in an article which was lately published in the Montreal Gazette, informing us that the Americans are purchasing lands in the west, and are doing so on a large scale.

Moreover, the United States are not such protectionists as some hon. members imagine, for 58 per cent of their imports enter the country free of duty.

What has really made the United States prosperous, is that during the first years of the war, in 1914, 1915 and 1916, when this government was spending hundreds and hundreds of millions, the Americans were amassing profits, derived from the war, amounting to hundreds of millions of dollars. What also contributed to the prosperity of that country is, that the Americans taxed the people during the war, and especially the war profiteers. For my part, I am in favour of moderate protection, because the results already obtained in this country point out that it is the best policy to be adopted. If we look back to the period between 1907 and 1911, we note that those years were the most prosperous ones in the history of our country. It is from 1907 to 1911 that the immigrants came into this country by hundreds of thousands, and it is during those years that we witnessed our trade increase by over a billion dollars.

I stated, just now, that the farmer from the province of Quebec needs help, and I might suggest, with that aim in view, to lower the freight rates on farm products I must further add that loans are hard to obtain in the rural districts. The farmer who has money to loan out, prefers buying municipal bonds, and there are also certain industrial bonds which are sold in the country by swindlers who should be in gaol instead of being allowed to roam free. It has often been stated, I am willing to admit it, that the farming industry was the largest industry

in the country, however, what has always happened up to this day, is that this large agricultural industry sees, each year, its money flow towards the cities to develop the industries of our Canadian centres, and even, sometimes, American industries. I would therefore suggest that a bill be brought down by which banks, in our rural districts, would be obliged to place 80 per cent of their deposits within a given radius. Let us suppose, for instance, that the banks in the county of l'Islet, were allowed to make loans in the county of Montmagny and Kamouraska, and only forward 20 per cent of their deposits to cities.

With such an understanding, the farmer could easily obtain a loan from the banks at 6 per cent, for banks never lose money with the farmer. Our banks could also help the local industries which are often more firmly established than are those in the cities. With such an arrangement we could develop the country in a normal way throughout its various parts.

Moreover, the agricultural industry needs foreign markets. For this latter reason, I wish to associate myself with the hon. members who represent the city of Quebec, in requesting the government to develop the Quebec harbour. Although I hail from a rural district and reside at some distance from Quebec, I think that the development of the Quebec harbour should not be left to local initiative only, but should become a national task. This is why I associate myself with the Quebec members in their request.

The present week, Sir, has been set aside as the week of forest protection. I must frankly admit that I was somewhat disappointed in not hearing it mentioned in this House. It strikes me that the protection which is given to our forests, is of the utmost importance, for the Dominion and provincial government draw from them revenues amounting to $12,000,000 yearly. I think that the Dominion government does not shoulder its fair share for the protection of our forests. We spend vast sums of money in the Canadian west to destroy insects which might harm the crops, and we do not spend anything for our forests which constitute a ripe harvest ready to reap. I must insist on the government doing more, because it would be performing a truly national work. Moreover, everybody is interested in the protection of our forests. The latter give employment to 95,000 people and are equally of interest to our financiers, since $600,000,000 are invested in the industries that are being operated. The conservation of our forests is also a vital question to our farmers, for it has been shown that the forest helps to regulate the weather, and should the forests disappear from the Canadian soil we certainly would have to suffer from droughts which affect other countries.

The Quebec government certainly deserves praise for the efforts made to preserve our forests. What is especially needed is an educational campaign, and I might suggest that the Dominion and the provincial governments encourage reforesting in all the provinces of Canada. A bounty should be granted to companies and even to private individuals, for the replanting of trees. We possess large tracks of sand or sandy loams which are entirely untilled, giving no returns to the farmer, and upon which we could advantageously plant coniferous trees, even pines, and so forth. I feel sure, if the people understood that companies and private individuals carry on tree replanting because they derive profits, one would be more scrupulous in his lumbering operations.

Mr. Speaker, I wish to congratulate Sir Henry Thornton for having had the courtesy of presenting, this year, his report in the two official languages of this country. Sir Henry Thornton was able to win the affection of the Canadian people. However, I am sorry to have, to-day, to draw the attention of the House to certain matters which in no way reflect on the president of our National Railways, but which especially refer to some of his officials. I thought the House would be the proper authority to come to in order to obtain redress. I carried on quite a correspondence on the subject, without ever obtaining any results.

I am certainly, Sir, in favour of excluding our National Railways from politics, however, on the other hand, one must not make use of politics to ruin politicians in their own counties. For instance, in the county of L'Islet, if I am to believe a number of foremen of our railways, one must secure a letter of recommendation to obtain work as a daily labourer on the railway. To support my statement, I shall read a letter which I received from one foreman:

St. Francis, June 17, 1922.

Mr. J. Fernand Fafard, M.P.,
L'Islet.

Dear Sir,—I have a man with me who has been working with the "gang" for a number of years, would you be kind enough to send him a letter of recommendation and to address it to St. Aubert.

The man's name is Mr. Cyprien Bard, St. Aubert, county of L'Islet.

The officials requested a recommendation.

René Coulombe.
Foreman.

So far as I am concerned, I have always been against, since 1921, forcing appointments of labourers on the railways; I simply made it a point to send to the proper authorities a list containing about thirty names, asking them to choose those they wanted, and they chose, in most cases, political friends.

I shall read another letter which I received, to show how recommendations are considered by these gentlemen.

It is dated August 8, 1922:

St. Aubert, August 8, 1922.

Dear Sir,—I went to the expense of going to Levis with the letter of recommendation you sent me, and I presented it to Mr. Patrick Lavery, he did not even go to the trouble of reading it. Mr. Joseph Francoeur was present when I gave him this letter.

I can well understand, Sir, that there can be no blame attached to the president or to certain other officials, if such things happen. Moreover, in our division of the Intercolonial Railway, it often happens, it is notorious that Conservative propaganda is being carried on by the railway employees. I might call upon my hon. friend from Kamouraska (Mr. Bouchard) to bear witness; I have not spoken to him about the matter, however, I remember that, at the time of his election, the thing happened in the parish of St. Pacome; a parish which generally gives a Liberal majority; the officials of the railway who are rabid Conservatives, try to discredit the Liberal candidates at election time. I would suggest to Sir Henry Thornton that he appoint another chief official for that division of the Intercolonial Railway, and I should want him to be a French Canadian, for the population is 100 per cent French Canadian. I am very sorry to have been obliged to draw the attention of the House to this matter.

Now, Sir, with your permission, I wish to make a few remarks with reference to immigration. I am certainly in favour of immigration, but of a healthy and industrious kind. At present, we are asking the British government, if I am not mistaken, to send us immigrants in order to place them on farms. It often happens that these immigrants only remain a few months on the farm and then trek to cities, thus increasing the congestion. I would like to suggest a way which may, perhaps, result in preventing this state of things. I think, if the British government paid the expenses of these immigrants who we desire as farmers, and Canada, on the other hand, agreed to reimburse, not half the expenses, but the whole amount, say at the end of two years, providing these immigrants remain on the land and have performed a certain amount of work.

Immigration presents a difficult problem in this country, for the very reason that we have a number of politicians who think that they have nothing better to do than to roam about the country crying out that Canada is bankrupt. I stated that immigration is a difficult problem, because Canada is not advertised under its true light. If you travel on the Canadian Pacific boats, if you go into our cities, if you even cross over to England, you notice everywhere that the people of Canada are shown up as Indians, cowboys, representations of dog races, oxen harnessed to the yoke and fields filled with stumps are shown. I contend, Sir, that all this is detrimental to Canada and of a nature to harm her.

As to the literature which the government distributes, what is it? It is certainly not what it should be. We find, for instance, magnificent things in this literature, such as the Rocky mountains. No doubt, the Rocky mountains are beautiful; however, this is not what should be shown to people in earnest who wish to come to Canada and establish themselves on farms. We have far more interesting things to show them; for instance, in the west we have splendid farms, excellent industries, water-powers to develop; all these would be more interesting to men of a serious mind and would be of a nature to bring us a better class of immigrants. Moreover, I do not think it is necessary to drag immigration into this country, although I welcome it, for it helps to decrease our debt and reduce our National Railways' deficits. As for us, belonging to the province of Quebec, we believe that the best immigration agent is the Canadian mother. Yes, the Canadian mother with us, is the best agent for the increase of our population in an absolutely normal way. I must, however, add that this agent of immigration—which is considered the best—has not often enough been rewarded. Nevertheless, we hailing from the province of Quebec, have the merit of holding our own. We have not had the same advantages as the west which was populated by people from overseas. We, French Canadians, state that we are in favour of immigration, and that we have no fear of being absorbed, as some have thought. The Frenchmen have enough blood left in their veins, and as long as there exists a Canadian mother, we shall know how to protect our rights.

In closing my remarks, Sir, allow me to state that the great problem, in Canada, is not that of production, for the latter, in proportion to our population, is higher than that of any other country in the world. The great

problem is to find a market for our products, and to reach such an aim, I think we should have a great number of trade agents in foreign countries.

I am proud of the party to which I have the honour to belong, and I am equally proud of the leader who guides its destinies. The Right Hon. Mackenzie King has drawn the attention of the whole world owing to his firm and energetic attitude on international questions. Our policy is that of Laurier: Protect the interests of the masses rather than those of groups. The farmer, the fisherman, the lumberman and the workman have been protected against the trusts and we have applied ourselves to distribute the wealth among all the classes of society rather than amongst a group of speculators.

In this country, Sir, there exist two great races that have an equal right to be proud of their ancestors. The province of Quebec has been tolerant; the province of Quebec, I state, has given an example of tolerance. In our province, which is for the most part French and Catholic, the provincial government never grants a subsidy of one or two million dollars to a French and Catholic university without, on the same day, granting the same amount to an English and Protestant university, notwithstanding that Protestants are in a small minority. We have, Sir, been too tolerant compared with the generosity of others towards us; however, I do not lose hope; I appeal to the good common sense and to British fair play. We have each our defects, we also have our good side, and we have each our characteristics. It is exactly this difference in the two races which should stimulate friendly intercourse and emulation in business pursuits, of a nature to further the development of our great country.

Mr. L. J. LADNER (Vancouver South): Mr. Speaker, on Wednesday we had occasion to listen to the hon. member for St. Lawrence-St. George (Mr. Marler) deliver an exhaustive study made with considerable ability, though marred a little by an air of superiority, as though he were lecturing children. The hon. gentleman dealt with the budget and primarily with the criticisms which were levelled from this part of the House against certain features of the budget, the point of the criticisms being that the budget was confused and also that it contained inaccuracies. The hon. member for St. Lawrence-St. George stated:

> The Acting Minister of Finance states that he has made railway and other advances—almost entirely railway advances, as a matter of fact—to the extent of $19,527,000.
>
> [Mr. Fafard.]

The hon. gentleman castigated in rather severe terms the hon. member for Vancouver Centre (Mr. Stevens) and the hon. member for Fort William and Rainy River (Mr. Manion) for the remarks which they had made with respect to the budget. It is my intention during the first portion of my remarks to direct a little attention to the fact that the hon. member for St. Lawrence-St. George himself brought confusion into the debate and himself was inaccurate in the statements he made. As a matter of fact, Mr. Speaker, the figures $19,527,000 are not found anywhere in the budget speech. They are made up, as I have calculated subsequently, of items, partly railway, partly advances to the harbour commissioners of Quebec, and partly of other advances which are not connected with the railway services. The item which was disclosed in the budget as being advanced to the Canadian National Railways was an item of $18,027,000. The indication in the budget all through, in fact the statement there, is that these were advances made or to be made. I have taken occasion to inquire from the accounting department of the Canadian National Railways, from the Department of Railways and Canals, and the Department of Finance here, with respect to this item, and I find that as a matter of fact only $10,000,000 of it has been advanced by the government to the railways, and the remaining sum which was provided for temporarily has not been advanced, and will not now be advanced. In fact, the remaining $8,027,000 has been cancelled and the item eliminated from the budget. These facts were, or should have been, known to the hon. member for St. Lawrence-St. George at the time he made his remarks, because it appeared clear to me that he obtained much of his information from the same source from which I have gathered mine, and I found the information in the ordinary course of business in carrying out my duties as a member.

There is another confusion in the budget of still greater importance. The statement is made that the total of our net debt as of the 31st of March, 1924, namely, $2,417,000,000, included the total amount of approximately $582,000,000 of railway indebtedness as up to that date. Now, Mr. Speaker, as a matter of fact that is an inaccuracy of a very grave kind. The clear statement is there that the railway indebtedness is $582,000,000, whereas, as a matter of fact, the railway indebtedness at that time was approximately $690,550,000. I submit

that the Acting Minister of Finance (Mr. Robb) in bringing down his budget should have shown the full indebtedness of the railways to the government. If the railways should suddenly find themselves in the position of saying to the government, "Here is a cheque for your money. How much do we owe?" that surely is the railway indebtedness, and that sum is not $582,000,000, but $690,550,000. Part of the debt arises owing to the fact that $130,000,000 is for accrued interest. But even taking away the $130,000,000 for accrued interest even an accountant can hardly work out the balance of principal at $582,000,000. I do not make that statement on my own authority; I have the authority of officials of the accounting department of the Canadian National Railways and the Department of Railways and Canals, and I have also discussed the matter with the Department of Finance, who maintain that certain entries made should not be made, and that the system of bookkeeping is different in the one case from the other. I believe our criticism is perfectly correct. Why should there be confusion in such an important matter, involving millions upon millions of the public expenditure? It should be so clear that one should be able to go to the Canadian National Railways or to the Department of Railways and Canals, or to the Department of Finance, and obtain exactly the same figures, because the money in any case must be there and must be accounted for in some way or another. So that I think the charge made in this part of the House that the budget is inaccurate is perfectly true. The reports and information from the departments will prove that fact. I have found in the course of my inquiries that not only was the ordinary accountant unable to solve the difficulty, but even experts in the accountants' department of the Canadian National Railways found it impossible to reconcile a number of figures given in the budget speech, as well as in the Canadian National report, and had to have the assistance of other experts to ascertain the facts. If people who are in the accounting department are not able to decide the standing and the position of the country with relation to railways, how much more difficult must it be for the average business man or the citizen at large in the community to understand the situation? The hon. member for St. Lawrence-St. George (Mr. Marler) also made this statement:

> It does not make any difference in the least whether cash is advanced out of the consolidated fund or borrowed.
>
> There is no difference whether it appears in the consolidated debt or the railway debt.

I maintain that there is a very great difference so far as the financing of the government is concerned. I have checked up in the Department of Finance and the Public Accounts the advances made to the railways and find the following:

Year ending 31st March—	
1921	$109,000,000
1922	97,000,000
1923	77,000,000
1924	23,000,000
1925	10,000,000

—not $18,000,000 as disclosed in the budget, but $10,000,000, because that $18,000,000 has not been advanced, but has been cancelled. I think the hon. member for St. Lawrence-St. George could have presented his argument in ten minutes if he had confined it to the real point of criticism raised in this portion of the House. The criticism is, not that the government have changed the accounts or even changed in some way the form of bookkeeping, but they have changed the policy of financing. While under the regime of the actual Minister of Finance (Mr. Fielding), the cash advanced by the government to the railways was $97,000,000, the government now advances only $10,000,000, though the deficits of the railway are practically the same as they were in 1922; that is, they average over $100,000,000 a year. How is the difference made up? It is made up by the government endorsing the securities or guaranteeing the bonds of the railway, and considering that as a contingent liability. The government financing is thus made a simple matter. They advance in 1925, $10,000,000 and endorse to the extent of $81,000,000, I believe. The budget is inaccurate and has caused confusion in the public mind. The criticism we make is simply that the public reading the budget speech are not able to determine the course of the country's affairs, in relation to the railways. The plain fact is that, regardless of the method of financing, the debt of the Canadian National Railways is increased each year. The figures are interesting as well as instructive. They are as follows:

Year ending 31st December—	Increase of debt
1921	$133,000,000
1922	59,000,000
1923	116,000,000
1924	118,000,000
Total	$427,000,000

This is an average of over $106,000,000 a year, and the situation apparently is not growing better. A peculiar feature of the situation—and this will be found in the Canadian National Railways report of 1924—is that the sum of $20,000,000 was loaned by the Canadian National Railways to the govern-

ment. I am not making any error in that statement. That sum was loaned by the railway to the government which on its part is constantly loaning large sums of money year in and year out. Why was that done? I have not been able to find out, nor does the budget disclose the method by which it was done, or what has happened to the money We know that, as of 31st December, 1924, the railway had on hand $14,259,000. The railway in its annual report regarded this as a refunding, the government regards it as a temporary loan; so that as between the statement of the government and the statement of the railway there is no reconciliation. What occurred is this: between 31st December 1924 and 31st March of this year, the budget coming down the 24th March or before the end of the fiscal year, the balance of this $14,000,000 which was loaned by the railway to the government is being returned in certain sums not disclosed in the budget, and the public are unable to find out why or how it was being done. In other words you can almost fairly apply the statement that the accounts were being juggled or that there was a juggling. I do not go as far as that. I think the accounts have been properly kept and all accounted for. I do not think anything happened to the money. But there is not a frank and clear disclosure in the budget in regard to this item, and it is a most important one. Consider the loans made by the government to the railway. I find that in 1921 these amounted to $460,000,000. In 1922 the loans were $542,000,000, an increase of $87,781,000. In 1923 they amounted to $666,000,000, and that includes principal and interest, being an increase of $124,000,000. In 1924 they amounted to $690,555,000. These are staggering figures and the people should be allowed to know the facts that they disclose, and those facts are not made clear in the budget. In my judgment they should have appeared in the budget, to set forth the relationship of the railway to the country's affairs and show exactly how we are getting along. But of still more astounding importance are the direct and indirect obligations of the railway, which are as follows:

1922	$823,000,000
1924	913,913,000

If you calculate the standing of the government so far as these railways are concerned, you will find that as at the end of the year 1924 they have advanced cash in the sum of $690,555,000 and guaranteed $913,913,000. The other figures are:

Canadian Government Railways, other than the Canadian National system	$451,712,000
Central Vermont	8,973,000

Making a total investment of $2,065,153,000 part cash and part direct and indirect obligations.

I bring these figures to the attention of the House in order that hon. members may realize the tremendous undertaking we have on hand and the need of adopting constructive methods in order to remedy the situation.

The Canadian National system is composed of 89 different corporate bodies. We have now 22,055 miles of railway. In 1921, we had 17,338 miles; in 1922, 17,224, and in 1923, 22,040. So that about five thousand miles of railway have been built or acquired since 1922. Why this further investment has been made, we do not know. It may be perfectly justifiable. Nevertheless it certainly involves tremendous capital expenditures and obligations on the part of Canada. The operating income of the Canadian National system shows the following results at the end of each year:

Year	Net profit	Loss
1921		$16,092,000
1922	$1,227,000	
1923	16,273,000	
1924	12,235,000	

My purpose in bringing this to the attention of the House is to lay the foundation for some suggestions which, in my humble opinion, should be carried out by this country, instead of following a policy of drift. Some action must be taken by the government. I do not think it can be left to voluntary action on the part of the Canadian Pacific or the Canadian National. I do not think a merger in the sense of consolidation of the properties as regards ownership or management under one directing head will be acceptable to the people of Canada. Because, satisfactory as it may be at the present time, it is bound in the end to result in some sort of monopolistic relationship to the people, and we would have those troubles which a single monopoly or combine brings, or if it does not bring them, the people think it brings evil results. For these reasons, with a loss—or rather an additional investment—of $100,000,000 a year on the part of the Canadian National system, I believe we should eliminate wasteful competition, useless duplications such as terminals and things of that kind, unnecessary expenditures, palatial steel cars, Scribe hotel and a number of other expenditures which we know about. We should eliminate maintenance work on unnecessary duplicating lines. We should endeavour to bring about between these two systems co-operation in services, in running rights for freight over the shortest and cheapest route, in matters of tracks, tunnels, buildings, bridges, stations, especially in the Union station. I have

taken the trouble to check over the latest time-tables issued by the two systems with the idea of finding out duplications in services which actually exist on the main lines. I am told by officials of both these companies that it is the duplication on the main trunk lines which brings about the expense and that everything depends upon that; that the branch lines are made to fit in with the main trunk lines. If you check up the time-table between Montreal and Toronto, you will find there are ten trains going each way every day. Three trains leave Montreal for Toronto in the morning within twenty minutes of each other. Five trains leave Montreal for Toronto each day in the evening within the space of one hour. That is useless competition. Each train has a separate engine, a separate baggage car, a separate day coach and separate other cars. If you travel on them you will find them often empty. The idea of this burden of expense, these deficits which are being shouldered by the people as a result of this fruitless and senseless competition where five palatial trains, well equipped, leave Montreal for Toronto within the space of one hour, is appalling to the taxpayers of this country and should bring responsibility upon the government to act and not to leave the matter to volition or initiative on the part of the railways.

Most hon. members know of the service between Montreal and Ottawa. There are thirteen trains a day going from Ottawa to Montreal and ten trains a day returning. Three of those trains to Montreal leave in the morning within ten minutes of each other, and they are not transcontinental trains—these leave earlier. Five trains leave Ottawa—and they are semi-local trains on short runs—in the afternoon within two hours of each other. So that, from Ottawa to Montreal you have five trains leaving within two hours, and from Montreal to Toronto you have five trains leaving within one hour, every day. I am told by men who know that these cost hundreds of thousands of dollars. This is useless, senseless, fruitless competition and extravagance, and it should be rectified in some way. I have taken occasion to speak to some of the railway officials whom I know personally and to present these bald facts to them. I have stated: "Why not save the expense?" One side will say: "We did not start it; the other fellow did and we have to keep up with him." If you ask the other fellow, he will say the same thing. Therefore, I maintain that the responsibility for action must rest with the government—and it cannot be a merger of the two systems—to compel co-operation as regards their management and services to the people of Canada so that the expense involved will be less than it is to-day. Between Vancouver and the east there are four transcontinental trains a day all the year round and five transcontinental trains during the spring, summer and fall. I am told by high officials of both these companies that the expense of each of these transcontinental trains is $9,000,000 a year. Hon. members who may travel on these trains will see that, perhaps, there will be four or five people on these through trains. This is evidence of the fact which we have had discussed in the press extensively lately as regards statements made by the heads of both systems that economy can be effected. It seems unfortunate that these economies are not effected, because the people are paying, they are providing the taxes to meet the $100,000,000 a year deficit. I say again that the responsibility rests with the government for lack of action, lack of initiative and aggressiveness, to take hold of an appalling situation such as that and to endeavour by some means to cure it.

5 p.m.

On this point I want to say a few words in connection with the Canadian Government Merchant Marine. An hon. member opposite levelled a good deal of criticism against our merchant marine. There is a deficit, but I am glad to say that the deficit does not arise in the west. I have taken the trouble to collect some data in this regard, and I find that the twenty-one boats operating out of Vancouver produce a profit. There were fifteen vessels of 8,000 tons; two of 4,400 tons, and four of 3,900 tons. For the past six years every ship, with one exception, has sailed from Vancouver to a foreign port fully loaded, that is, loaded beneath deck and on the deck. In the single exception the boat had a full load under deck, but it did not have anything on deck. The lumber trade in British Columbia has greatly benefited by the presence of these boats; they have been a most important factor in opening up new markets for western Canada, markets which we did not have before, such as New Zealand, Australia and around through the Panama canal to eastern Canada and the eastern states. They have also been an important factor in forcing other shipping companies to provide boat services at places in British Columbia where formerly we did not have any service and the business was sent to the states of Washington and Oregon. It was the Canadian Government Merchant Marine

that opened up the business in the Bristol channel in England and at Belfast, Ireland. These vessels go to Japan and China carrying large quantities of lumber, wheat and other products. The management is very active. I know of one instance where they stepped in and took from our friends to the south in the states of Washington and Oregon an order for 35,000,000 feet of ties, an order which is renewed every year. They took that away from the states and provided it for the mills of British Columbia when those mills were very badly in need of business.

Now, with the deficits of the railway; with the increase in the national debt; with the absence of real economy on the part of the government; with the depression in business generally; with the emigration from the country of thousands of people; and with the closing of our factories, there is one natural and necessary result, and it is expressed in the word "taxation." And taxation in Canada has not only reached but has passed the point where it can be left longer untouched without extremely disastrous results to the country. A little book by a man named MacFarlane, under the title "Taxation of Industrial Organizations in Canada" makes a statement which I think is pertinent to the present situation:

> Canadian industrial organizations are rapidly becoming so tax-handicapped in their cost of production budget, that not only are they estopped from forecasting lower prices to the consumer, but they must submissively anticipate their own possible elimination from world market competition. . . .
>
> To illustrate, a well-known manufacturing industry with branches throughout Canada has, in recent years, been obliged to be fully conversant with, and to fulfil the requirements of. three Dominion tax measures (the incidence of Business Profits Tax Act being still in existence), ten provincial corporation taxation acts (Nova Scotia having two), and some twenty municipal realty and business taxes; a total of thirty-three widely differentiated enactments, and all continually in a state of legislative flux.

So that in all they pay over thirty different taxes. The load is altogether too heavy and something must be done in the matter. I observed in the Ottawa Journal, of date April 17, 1925, an editorial in which it was estimated that a Canadian living in Ottawa must pay to the Dominion government $38, to the provincial government $13, to the schools and municipalities $30, or a total of $81, which for a family of five amounts to $405. But there are other levies besides the income tax that must be paid. Let me submit the following comparative statement of taxes paid in British Columbia to the federal government, and taxes paid in the state of Washington. This statement was prepared by the Associated Property Owners of Vancouver:

Net income	Dominion of Canada		State of Washington
$5,000	Brit. Col.	$ 95	
	Federal	126	
		$221	$50
$7,000	Brit. Col.	$210	
	Federal	283	
		$493	$100

Taking the income tax alone in each of the two countries, without considering any other taxes, I find from the Canadian tax returns, report No. 27, the following comparison:

Income	Canadian	United States
$3,000	$ 40	$ 7 50
$5,000	126	37 50
$10,000	619 50	207 50

In other words, our tax ranges all the way from three to six times as much as the American rate, and these taxes are having a disastrous effect on business. They are driving capital from the country and are forcing our young men and women to go elsewhere; they are creating despondency among business men and generally are tending to a most unsatisfactory conditon of things. I have here an extract from a report of the shareholders of the Consolidated Mining and Smelting Company of Canada in which I find a statement that is extremely indicative of conditions at the present time. I quote from the report:

> You will notice the large sum $790,120.42 necessarily reserved for Federal and Provincial taxes under the existing exorbitant basis of taxation. This amount is many times what it would have been on the same revenue in pre-war days on the basis of taxation then in effect.
>
> Government operations and projects continue to more than exhaust all the revenue that the people can provide under most excessive taxation. In addition to every government undertaking costing a great deal more than if constructed by an individual or a private corporation, its subsequent operation is rarely profitable, so that usually not only must the interest on the cost be provided for by fresh taxation, but also maintenance and pay roll must come largely from that source. Private enterprise being subject to ever increasing taxation in order to meet additional government requirements, there is no real incentive to engage in the industrial or other development of the country—and therefore no substantial progress is being made. Furthermore with the United States reducing its tax rate and its public debt, and Canada making neither reduction, the exodus to the United States is not difficult to understand.
>
> For the time being your company is fortunately able to withstand the heavy tribute levied by the governments, but if more private enterprises are not established to share the burden or if other existing private enterprises perish—the load may well become too heavy to be borne.

We find prominent men in the country, such as Mr. Beatty of the Canadian Pacific Railway, coming to the same conclusions, all pointing unquestionably to the fact that unless the problem of taxation is taken in hand and

[Mr. Ladner.]

controlled by a proper system of economy on the part of the government, so that capital may be enabled to remain in the country, protected against expropriation, we are going to suffer from a deadlock in this direction. And when we have no capital we shall cease to have any industrial development; nor will there be any hope of our people returning to the country. Our taxes are mounting while the national debt increases year after year. Last year the government tried to avoid an appearance of this by manipulating their railway accounts; but the plain fact is that our debt is accumulating, and our railway deficit has been some $106,000,000 a year for the past four years. And, with less business to provide a revenue for the roads, with factories closing in large numbers, the situation is indeed serious. According to the Minister of Labour (Mr. Murdock) the number of factories closed last year totalled 1,300 while the leader of the opposition (Mr. Meighen) puts it at 2,200. In any case unemployment is prevalent throughout the country, and our people are going to the United States at the rate of 200,000 a year.

Mr. MURDOCK: The hon. member will find no figures nor statement of mine showing that the number was only 1,300.

Mr. LADNER: Perhaps it was more than that; I may have made a mistake.

Mr. MURDOCK: The figures are all in Hansard and speak for themselves, and I would suggest that the hon. member quote facts and not fancies.

Mr. LADNER: I suggest that the minister take some of that advice to himself. I never heard a more absurd contention than the Minister of Labour made when he compared business failures in 1914-15, war years, with business failures in 1923-24; and when I asked him whether he thought it was possible to make a comparison under those extreme conditions he said that the periods represented respectively a typical Tory rule and a typical Liberal rule. When arguments are founded on such a basis they are too absurd for consideration.

Mr. MURDOCK: The hon. gentleman will have much difficulty in showing, either in unrevised or in revised Hansard, any such statement on my part. All I ask of him is to quote the facts. All that the Minister of Labour undertook to do was to submit the figures for what they might be worth; he simply said that there were more failures in 1914 than in 1924, and hon. gentlemen could draw their own conclusions from that as to what the causes might be. The minister made no such statement as the hon. member a few moments ago accused him of having made.

Mr. LADNER: If I understood the minister rightly, the purpose of his figures was to show some relationship between the failures and the party that was in power at the time.

Mr. MURDOCK: Not at all.

Mr. LADNER: What other purpose was there in submitting the figures?

Mr. MURDOCK: To show a comparison between the two periods that hon. gentlemen opposite have been referring to so frequently with respect to failures.

Mr. LADNER: But after showing the comparison what results do you have? It is perfectly clear. I asked the Minister of Labour the reasonableness of making such a comparison, because it occurred to me to be unsound, and I do not always find him so illogical. I think I am perfectly right in my contention. Now, with the conditions I have mentioned and business depression, there is another thing the Minister of Labour sought to prove by a line of figures reaching from here to Mars, some of them bearing no relation whatever to what he was dealing with. He sought to prove that business was good in this country. Well, you have only to ask any business man whether business is good, and he will tell you it is not.

Mr. MURDOCK: Mr. Speaker, the hon. gentleman is again making a statement which is not true, although probably he does not know it. He can produce no statement of mine in Hansard undertaking to prove that business was good in this country. The only thing I did undertake to disprove was the line of misrepresentation from our friends opposite which indicated that business was so much worse in Canada than in the United States.

Mr. LADNER: I listened to the address of the minister carefully, and from the way the figures were read it was apparent that his purpose was to endeavour to convince us that business was good in this country; that is, that the policy of the government was sound and conditions were going to get better right along. That was the idea behind his figures. I put it to the minister, as well as to any other member of the government, that he ask any banker, any business man, any farmer or any workman, if business is good in Canada. All our people know that business is not good in Canada. Of course, there is some reason for this.

Mr. MURDOCK: Comparative figures show that business was better in Canada for at least three months last year than it was in the United States.

Mr. LADNER: The trouble with the hon. minister is that he brings in support of his argument figures that do not prove anything. He endeavoured to make a comparison between failures in 1914-15 and in 1922-23. I do not see how any man dispassionately arguing the merits of the case can contend that it is fair to make such a comparison, when we know that every large and small financial institution the world over was shaken to its foundations on the outbreak of war, particularly by the tremendous drive of the Germans into France, and naturally those businesses which were dependent upon credit were subject to the contraction of credit which the banking institutions necessarily put into effect, and that was the determining factor of those failures; they had nothing to do with government policies any more than the moon had.

Mr. MURDOCK: Does my hon. friend say that the two thousand eight hundred odd failures in 1914 were the result of the outbreak of the war?

Mr. LADNER: I would not say every single failure.

Mr. MURDOCK: Most of them?

Mr. LADNER: Many failures took place as the result of the outbreak of war.

Mr. MURDOCK: Do you know that any of them so failed?

Mr. LADNER: Yes, I know of people who failed under those conditions. Now, I have endeavoured to point out our difficulties and obligations with respect to the railways, our serious situation with respect to business, and our extremely serious situation with respect to taxation which is driving capital out of this country. Now I propose to submit this proposition. The government is lacking in virility and courage in attempting to solve those difficulties, in fact it is taking no steps whatever to that end. I suggest that the policy which has been laid down by the Conservative party, through the resolution of which the right hon. leader of the opposition (Mr. Meighen) has given notice will relieve the situation. It is the revival, of course, of the old question of protection of our industries; it is an old question, but it is livelier to-day than it ever was in the past. I see one hon. gentleman to my left smiling, but I am going to give him some facts to ponder over, and I shall be interested to hear how he will reply to them. First let me put on record what this policy is. The right hon. leader of the opposition in his resolution says:

That, to meet the situation which has resulted from a strengthening in late years of the protective system the world over particularly in the United States; to give new life to industry and productive enterprise; to preserve and enlarge the Canadian market for Canadian farm products; to stimulate the development of Canadian resources by the Canadian people and thus create employment for our workers; to increase the traffic of our railways by which alone an all-round reduction of freight rates can be secured; and, as well, to provide added revenue and thus bring about a reduction of internal taxation, this Dominion requires an immediate revision of the Canadian tariff on a definitely and consistently protective basis.

That such revision should apply to natural products, such as farm produce, fish and coal, with no less thoroughness than to manufactured goods.

That to the same ends steps should be taken to conserve for Canadian development our essential and irreplaceable resources in material and power.

That while every effort should be directed toward the establishment of a system of preference for preference within the empire, no preference should be given at the expense of the Canadian workers, and all preferences should be conditional on the use of Canadian ports.

That a tariff commission should be appointed representative of the three great classes of Canadian industry, agriculture, manufacturing and labour and entrusted with the duty of studying Canadian tariff problems in their every bearing and of making from time to time such recommendations to the government as it deems in the general public interest, with the reasons therefor, and with power also, where it finds unfair advantage is being taken of protective duties, of making recommendations to be given effect by the government for removing or reducing tariff schedules or imposing special excise taxes upon products in respect of which such advantage is taken, and that its reports, findings, recommendations and reasons therefor be given to the public.

That to enable the products of Western and Maritime provinces to reach more readily the markets so developed, the special transportation burdens borne by those provinces should be shared by the whole Dominion, either by contribution to long haul freight costs, or by assistance in some other form.

We on this side of the House are thoroughly convinced of the soundness of that remedy.

Mr. GOOD: Would there not be a very great addition to taxation—the taxation that he laments so much—if this policy were applied?

Mr. LADNER: That is the fallacy and delusion of my friends to the left. The incidence of taxation is not necessarily upon the protected country. Is taxation higher in the United States? No. And why not? Because they have built a protective barrier around their industries that gives stability to investment of capital, that enables every manufacturer to start out in business on an equal footing with his competitor, knowing

full well the situation he has to meet, knowing that he is not going to be confronted with the products of cheap labour from China or Japan, or from the highly industrialized countries of Europe. And the competition within the domestic area of that protective system reduces prices to the minimum. These conditions naturally give increased wages to the workingman, better returns to the businessman, and prosperity to all, so that the people have the money to pay their taxes, and these taxes are a lighter burden on their shoulders than are the taxes of their competitors who do not enjoy such prosperity. I have learned from a gentleman who has just returned from one of the southern States with a population of some three and a half million that recently the governor was lamenting the fact that they had a debt of $69,000,000. There is an actual demonstration of the happiness and prosperity of the people south of the line.

Mr. WARNER: Have not they a population of 112,000,000 to trade freely with instead of our few millions?

Mr. LADNER: Quite so. The hon. member has put his finger right on the point, but perhaps he misses the further point as to how they got those 112,000,000 people. How did they get them? Why is your son or other relative or friend leaving Canada and going down there? Why do they flock into the United States from Europe in their thousands? It is because since 1828 the United States have had an average ad valorem duty around 41 per cent, and with small fluctuations up and down they have maintained that duty, and thereby they have given stability to their business concerns and have provided prosperity for the farmers as well. That is why the United States have been able to attract such a large population. As a result, wages are higher. And will any hon. gentleman say that the cost of living there is higher than in Canada? Statistical data shows the wages in the United States are not only higher, but the cost of living is lower, so there is a bigger margin for a man to save. Naturally, therefore, people flock to that country, and there is no necessity to advertise for immigrants. Similarly, if you discovered a gold mine up north you would not need to ask people to go there, you would find they would rush in by the thousand.

Mr. WARNER: Is it not a fact that the per capita tariff in Canada is about three times as high as that of the United States? Why does that not bring people to our country?

Mr. LADNER: The explanation is that our people are importing a lot of goods while the United States have their own industries, which manufacture and sell to their own people in the course of profitable business. I cannot understand why in this country, having regard to the national interest, we cannot have a protective system such as is followed in the other sixty-five nations of the world. Why can we not take a lesson from France, which is enjoying a great measure of prosperity and has increased its tariff?

An hon. MEMBER: What?

Mr. LADNER: Yes, that is correct. I have relationships with France that enable me to know. In the United States conditions in some parts are not, perhaps as good as they were. But all these countries have increased their protective duties and have made themselves self-sustaining nations. The incidence of taxation does not always fall on the importer; sometimes it falls on the outsider.

Mr. HOEY: Would my hon. friend say that the per capita war costs of the United States compared with those of other nations have anything to do with their present prosperity?

Mr. LADNER: Undoubtedly the United States benefited by the war and gained considerably in actual wealth as a result. But wealth does not in itself make for prosperity; there have to be active business conditions in the community, and these depend upon the supply and demand, upon conditions which will enable business to proceed as it should. They may have all the gold in Christendom and yet not be prosperous. They must have trade. I have in mind just now an order passed by President Coolidge the other day with regard to something that was being imported into the United States from Ontario. It was found that it could be produced cheaper in Canada and the industry had not been protected in the United States, and so the barrier was immediately put up in order that the United States might protect their own industry. For one hundred and twenty-five years, we have been seeking to develop this country, with agents in Europe and elsewhere trying to get people here; we have been bringing them in on one side and letting them out on the other. But the United States is prosperous so that we may take a lesson from them as well as many from other countries in this respect.

Mr. PUTNAM: May I ask a question? Will the hon. member cite a protective tariff from the hand of man as a greater agency in

drawing population to the United States than geography and climate from the hand of Providence?

Mr. LADNER: Well, Russia has 253,000,000 people. There is no doubt that the climatic conditions of the United States may in themselves attract some people. But my idea is that the man in Canada or in Europe hears from his friends that he can earn more money in the United States. He has never been there; he has never been in the middle states and been frozen up—he does not know how unpleasant it is there, perhaps. So he says he is going where he can get work without difficulty, and that is the determining factor with most of the people who leave this country. Indeed, it is the determining factor with those who come to Canada—they come beacuse they think they can better their position.

Mr. GOOD: My hon. friend is arguing that prosperity in the United States is due to the protective tariff and the duties. Would he not be equally logical in arguing that it is due to the large volume of their internal trade, or to a dozen other causes that might be stated?

Mr. LADNER: I do not see how Canada differs from the United States in that respect. We have internal trade. We have the "freedom" without the trade. There is no argument about that. The real prosperity in the United States is due to the fact that capital feels safe in its investment there; every man who invests his money in business knows exactly the competitive conditions with which he is faced. He knows that he is not going to have unfair competition. He knows that Japanese and Chinese goods, made by labour that is paid ten cents a day, are not going to be dumped into the United States in competition with him, because he has the protection. So there is stability in that country; trade is regulated; there is an ability to export in large quantities and to capture markets where people have not the good sense or the strength of mind to put up barriers similar to those erected by the United States.

Mr. GOOD: Does not my hon. friend recognize that as between Canada and its geographical conditions, its population, and so on, and the United States, the differences are tremendous?

Mr. LADNER: My contention is that people have gone to the United States because they can better themselves, and they can better themselves because they can find jobs that pay. That is why they have gone there. As to geographical conditions, they are not so dissimilar. If they have cotton in the United States, we have timber in Canada. But the difference is this: they manufacture very largely their cotton in their own country, or have done of late years, while we send our pulpwood and other natural resources to them to be manufactured and to give employment to their people; whereupon they send the manufactured article to Canada for consumption.

Mr. ROBINSON: Suppose that an intending settler in Canada or in the United States were to listen to my hon. friend's speech, which country would he settle in?

Mr. LADNER: Well, he would probably have a desire to contribute his good judgment to oust the Liberal government in this country and thus bring nearer the possibility of his remaining within its borders.

Now, Mr. Speaker, if my arguments are sound at all, why is there this tendency towards low tariffs? My submission is that it is entirely because of the Progressive party, and very largely their views from a purely economic point of view are sound. They say: We produce wheat in our country; we sell in the markets of the world and we buy in a protected market; therefore if we can eliminate the protective duties we may get our goods cheaper and have a bigger margin of profit or be able to sell more wheat in the markets of the world. That is a hard argument to answer from the economic point of view. If the country is to remain entirely agricultural in its character, the argument is a good one. But let us consider for a moment what element in value exercises this dominating influence upon Canada's fiscal policy. I have made a calculation from information furnished by the Bureau of Statistics, and I find that in 1924 the gross agricultural production of Canada was valued at $1,453,000,000. We are dealing, you will note, only with the one activity of agriculture. The value of wheat and wheat flour exported was $327,000,000, or 22 per cent of the total agricultural production. So that this 22 per cent, representing the views of the prairie provinces through the Progressive party in this parliament, are dominating the government and the fiscal policy of this country. There is our trouble.

Mr. FORKE: You will have to remove the Progressives; that is the only thing to do.

Mr. LADNER: No, they are too good fellows to remove. But my contention is that—

Mr. WARNER: May I ask a question right there?

Mr. LADNER: Does the hon. member disagree with me on this point?

Mr. WARNER: Would the hon. member put a duty on wheat in order to benefit the farmers of Canada?

Mr. LADNER: No, I would not. Personally I do not know much about duties, nor, I think, do other hon. members know very much about them. These are things that should first be decided by people who do know, by a scientific board that will adjust our fiscal policy for the development of this country, and not for the development of any other country.

Mr. GARDINER: The hon. member has stated that wheat and wheat products exported amount to $300,000,000, or 22 per cent. Will he tell us what the total agricultural exportation was, including animal and animal products?

Mr. LADNER: I have not the total agricultural exportation, as I did not think it of importance for this reason: the markets of the United States for our major products have been largely cut off, and our products are now going to the Old Country and other countries where they have low tariffs and do not send back to us similar goods. This has relationship more with the United States.

In Canada we have manufacturing business to a very large extent. We have our minerals, and the business and industries incidental to them. We have our great forest products, lumber, pulp and paper. We have our shipping interests, and our fisheries, to which there is also a manufacturing end. We have our trade by exporters and importers. We have financial houses, and we have other activities of a diversified character in which our people are engaged. Now my point is this: I do not think it is sound or in the interests of this country that 22 per cent of one industry should control the fiscal policy of the entire country affecting all these other industries.

Mr. GARDINER: Will the hon. member take the pains to look into the question of the total exports of Canada? If he does, he will find that agriculture is responsible for more than half the total exports of this country. Will he then say that agriculture dominates, though representing only 22 per cent?

Mr. LADNER: I did not look into those figures.

Mr. GARDINER: Why don't you?

Mr. LADNER: I did not have the benefit of the advice of the hon. member at the time. If I had had the benefit of his wisdom before, I might have got those figures.

Mr. GARDINER: I will get them for you.

Mr. LADNER: But it does not make a particle of difference. As a matter of fact, I believe there is some confusion as to just what is included in the figures of agricultural exports; I am only speaking from memory. But even if half our exports were agricultural products, he would still have to consider that we have a large number of other industries, mines and manufacturing establishments in this country which desire protection, and my point is that those who uphold this idea of low tariffs should not dominate the fiscal policy of this country where we are trying to develop a self-sustaining nation.

Mr. MILLAR: In 1923, of the 400,000,000 bushels of wheat produced, what percentage was exported?

Mr. LADNER: I have the figures here from the Bureau of Statistics. I thought I had them handy. I have a letter from the chief statistician giving that data, but cannot lay my hands on it at the moment.

Mr. HOEY: We could only consume six bushels per head; that would be 54,000,000 bushels. So we must have exported all the rest.

Mr. LADNER: My data comes from the Bureau of Statistics and is checked with the trade reports. I am certain my data is accurate because I have taken particular care with it, and I worked out the same data last year, and have compared this year with last, and I am certain the figures are correct. I want to repeat, for the benefit of hon. gentlemen to my left, with whom I have the most agreeable personal relationships, but with whom I disagree in the most decided manner on the fiscal policy that is best for this country, that the fiscal policy of Canada is to-day being determined by a small proportion of the agricultural interests, in total disregard of the manufacturing interest and all the other economic activities throughout the country. I say that is not sound, and although political expediency may justify and maintain that policy in force to-day, time and experience and the force of public opinion will eliminate it because, if persisted in, it will ruin the country.

Mr. SPEAKMAN: The hon. member has stated that a very small proportion of the country is endeavouring to dominate, and is dominating, the fiscal policy of the country to the detriment of the majority. Might I ask what proportion of the people of the country voted in 1921 for a much lower tariff than we have at the present time?

Mr. LADNER: Sometimes the public are not informed of all the facts. Sometimes they hear so many stories, even from the lips of the Prime Minister of Canada, and if he were here he would ask me to show line and page, that they really do not know where they are at, and it depends largely upon the individuality of the man when they make their election. But the fact is that to-day they are feeling in their pockets, and in their business and in their affairs the effect of the policy which is prevailing in this country, and they are going to change it sooner or later just as they changed it in 1878.

Mr. COOTE: Is the hon. member really serious in stating that it is his belief that the west is dominating the economic policy of the country?

Mr. LADNER: Absolutely. I do not think there is much question about that, and I do not think the hon. gentleman thinks there is much question about it. If it had not been for the Progressive party and their influence upon the government, the government would have had a higher tariff than we have now, but in that case the Progressive party would not have voted for the budget last year, just as they are voting against the budget this year because the tariff is not coming down. The government is between the devil and the deep sea. They promised one thing in 1919, and several members promised many things, and the Progressives say that they have practically the same platform as the Liberals, and the inevitable result is that the government are losing the confidence of the people.

Mr. MILLAR: Which is the devil?

Mr. LADNER: I do not like to be personal.

Mr. PRITCHARD: I asked this question of the speaker yesterday, and I notice they have not got it in Hansard as I meant it, but whether that is my mistake or somebody else's, I am not going to say. The hon. member is trying to argue that by the government yielding to the Progressives we are in a much worse shape, particularly our industries, than we were in 1921 when the Conservative government was in power. If that is the case, how is it that the report of the Compensation Board for the province of Ontario shows that the industries of the province of Ontario paid out in wages in 1924, $9,000,000 more than they paid out in 1921? In the face of that report, does the hon. member argue that we are in worse shape now than we were then?

Mr. LADNER: I cannot vouch for the accuracy of the report. I prefer to judge by studies I have made of statistical data, and by what I have learned through coming in contact with people doing business in the country. It is fallacious to say that because you have paid out more wages in one year than another, therefore all these things follow; they do not necessarily follow at all. There are a hundred and one factors to be taken into account. The actual fact is, and the hon. member knows it, that we are overburdened with taxation in Canada to-day, and business is not good. Even the Minister of Labour will admit that.

Mr. PRITCHARD: The working men have the proof in their pockets, at all events, that they have $9,000,000 more to-day than they had in 1921.

Mr. LADNER: Nobody is more pleased to hear that than I am, but does the hon. gentleman seriously suggest that business in Canada is good?

Mr. PRITCHARD: It is better than it was.

Mr. LADNER: That is always the government's answer. Year after year they always say, it is better than it was. It is like a frog climbing up a well one foot at a time and slipping back two.

Mr. MURDOCK: Would my hon. friend indicate some country or countries in the world that are comparatively speaking better off than Canada?

Mr. LADNER: Yes, France.

Some hon. MEMBERS: Oh, oh.

Mr. CARRUTHERS: Capital levy.

Mr. LADNER: I had occasion to make careful inquiries in order to get accurate information. The industrial conditions and the condition of the farmers in France are better than in Canada. It may be temporary, but the conditions in France and in the United States are better than the conditions in Canada. People go from Canada to the States.

Mr. GOOD: Is my hon. friend not speaking only of the employment situation in France?

Mr. LADNER: No, I am speaking of business conditions, exports, employment and wages. You can hardly hire people there, the demand for labour is so great.

Mr. CARRUTHERS: It is being done on borrowed money.

Mr. LADNER: Lots of people run their businesses in that way. Some of our Progressive friends have said that they were running farms on borrowed money but they were still happy.

Mr. CARRUTHERS: Is the value of the French franc and our dollar to be taken into consideration?

Mr. LADNER: The determining factor in the situation is the workman. He is working all day, comes home at night, has his food and clothing and something to put in the bank and it does not matter how you work out the value of the franc.

Hon. members were asking about duties a moment ago and I have a word to say about that question. I had an inquiry made in the Bureau of Statistics as to the ad valorem rates of customs duty on dutiable goods imported into Canada as compared with the United States respectively for the fiscal years 1870, 1880, 1890, 1901, 1911, 1923 and 1924. Now I think we can learn from the experience of others. The figures are as follows:

Customs duties on dutiable imports—	Canada Per cent	United States Per cent
1870..	20.9	47.08
1880..	26.1	43.48
1890..	31	41.41
1901..	27.5	49.64
1911..	25.9	41.22
1923..	24.9	36.07
1924..	22.7	35.63

So that during the last fifty-five years the customs duties on dutiable goods entering the United States as compared with Canada have been from 50 per cent to 235 per cent higher than those in Canada. Yet when you go there to live, pay taxes, and buy your food and clothing, you pay less taxes, pay less for your food and clothing, you have more employment and are better able to save and put a little money in the bank. What further proof does any reasonable man want than that of the soundness of the policy?

Mr. WARNER: What does the hon. gentleman mean when he says that he pays more taxes here than in the United States?

Mr. LADNER: If my hon. friend had been here a few moments ago he would have heard the figures I gave at that time.

Mr. WARNER: My hon. friend had reference simply to the tariff taxes.

Mr. LADNER: No, I have reference to all taxes, the burden on the people. If the hon. gentleman wishes to take the income tax, I tell him it is from two to six times as much in Canada as in the United States.

Mr. WARNER: Will my hon. friend permit me to make a statement?

Mr. LADNER: If it is not too long, go ahead.

Mr. WARNER: I have lived over there and I know personally that my taxes were a good deal higher than they were when I came to Canada. At the present time they are higher all the way through in the United States than they are here. I know that because I have lived in both places, and I am acquainted over there now just as well as the hon. gentleman.

Mr. LADNER: Perhaps it is some years since my hon. friend lived there. I have my information on good authority, not guess-work. It is vouched for by people who know the facts from accurate data.

Mr. GOOD: Before my hon. friend proceeds, would he not think it much fairer to make the comparison with rates on total imports, rather than on dutiable imports?

Mr. LADNER: No, I would not, because in figuring out the customs duty, the thing which concerns us—that is if the incidence of taxation falls upon the consumer in the country to which it is consigned—is the amount you pay on the dutiable goods.

Mr. GOOD: In the case of a nation which admitted 95 per cent of the goods free and levied a duty of 100 per cent on the balance of 5 per cent importation, would it be fair to compare that with a nation which has a flat rate of 10 per cent on all imports? Does the hon. gentleman not see that in one case they paid a tax of 100 per cent duty and in the other case they paid only 10 per cent? Does the hon. gentleman not see the point?

Mr. LADNER: Yes, but you can work these things out in different ways. I have worked it out according to the manner in which the authorities work it out when they want to get at the true facts of the case. I have been told the proper way to figure it out is the method I have adopted, and I do not think there can be much argument about it.

Mr. GARDINER: Is there a higher duty collected per capita in the United States than in Canada?

Mr. LADNER: I have not the information on that point.

Mr. GARDINER: My hon. friend lacks a lot of information he should have.

Mr. LADNER: The hon. gentleman lacks a good deal of information too, or he would not be advocating the idea he is now propounding. It is very easy to ask about an isolated case which particularly appeals to the questioner, but I do not pretend to be a walking encyclopaedia.

Mr. HOEY: Can the hon. gentleman tell us how much higher the duties were under the Conservative government than under the Liberal government?

Mr. LADNER: I am not talking about party politics. I say the Conservative party never did impose a protective tariff in this country, and they would have been better off if they had done so.

Mr. HOEY: Why did they not do so?

Mr. LADNER: I suppose they were trying to be friends with the Progressives, and this government will come to the same disastrous end if they maintain that unholy alliance.

In submitting the proposals which I have presented and the ideas which I have advanced, I have done so not merely because it is in the interests of Canada, but because in British Columbia it is of very special and great importance. British Columbia is the third largest manufacturing province in Canada. We have 2,407 industries, employing 28,700 employees, in which there is invested $210,000,000, producing last year $163,000,000. That is the business of manufacturing. Then we have the business of mining, the total results of which last year amounted to $49,000,000. Our greatest industry is lumbering and pulp. We have invested $190,000,000 in sawmills, pulp, paper and logging. The export trade after eight years has increased from 43,000,000 feet to 500,000,000 feet. There are 40,000 people employed in the lumbering business and allied interests, with a total payroll of $50,000,000 a year. We are not lacking in agricultural activities. We produce $61,000,000 in agriculture and in shipping $23,000,000. Our shipping business is developing. We have forty-two regular steamship lines running out of the city of Vancouver.

These facts disclose diversified interests. British Columbia is a miniature Canada, and the people who live and who are engaged in business in British Columbia know full well if the province is to develop just as Canada is to develop, we must as far as possible manufacture the raw products in this country instead of exporting them to other countries to build up their cities and towns and to provide work for their workmen. We are confronted daily with that situation. A large quantity of our raw material goes across to the state of Washington where our minerals are put into smelters and our logs into the lumber industry. But the provincial government, realizing the advantages to be derived from stopping undue export of our raw materials, have imposed restrictions upon the export of logs, so that the American investor has seen fit to bring his manufacturing business into British Columbia and to do his business there. In British Columbia, as I have said, we have a miniature Canada; we have diversified interests. We want to provide business or employment for different people, for the farmer, the miner, the fishermen and people of that kind.

Let me say a word about the Australian treaty. It is difficult to know why the government has not taken a more decided and active interest in the Australian treaty. We are especially interested in British Columbia because we expect to benefit by it, chiefly as regards the salmon industry. The Canadian Manufacturers' Association, canned salmon section, sent this telegram to myself and no doubt to other members from British Columbia. It is in these words and they are significant:

> Failure of government to ratify Australian treaty owing to opposition on part certain members parliament to proposed increased duty on dried fruits—

It seems to me I know where that comes from.

> —from other than Australian sources will have effect on British Columbia salmon canners of depriving them of very substantial market for their product in Australia. That market heretofore supplied principally by American canners and opposition to proposed treaty if successful will react exactly in manner hoped for by American interests in enabling them continue dominate Australian market as they did in New Zealand prior to our securing preference there. Trust you will use best efforts with opponents' treaty in House in interest securing largely increased market for Canadian salmon which would inevitably follow treaty adoption.

Mr. KING (Kootenay): Is it not a fact that my hon. friend's leader (Mr. Meighen) publicly opposed the treaty with Australia in a campaign in British Columbia last fall?

Mr. LADNER: I have never heard of such a thing. The probability is that he questioned the delay of the government to act. The government have failed in initiative. If they do not want the treaty, they should say: No, we do not want the treaty, and then men carrying on business with Australia would know

what to do and make their contracts accordingly. It is the old question of vacillation, lack of action. They are in the balance. They know who their masters are and they stand there in fearful delay that is prejudicial to the interests of this country.

Mr. MILLAR: Does the hon. member favour the treaty?

Mr. LADNER: Yes. I favour any trade treaty that is reasonably worked out as good for the country.

Mr. COOTE: Does the hon. member really think it fair that the people of Canada should be asked to pay more for raisins just to benefit the salmon canners of British Columbia?

Mr. LADNER: That is the same old fallacy and delusion as regards free trade. It all comes down to this: If you put a tariff on, you pay extra money. The incidence of taxation does not always follow that. The amount of money the hon. member would pay for the currants he would eat would be disproportionate entirely to the benefit we would receive through increased production in canned salmon. Of course, it is a difference of opinion.

I wanted to say a few words on the oriental question, but my time is limited. We have had advocated in the country and here with the government certain measures with respect to restricting the activities of Chinese and Japanese in British Columbia. I realize, in speaking on a matter of this kind, it is a delicate question and requires mature judgment to work out the best method of safeguarding the interests of Canada. In my judgment we should not allow orientals to come into British Columbia. We do not want them in British Columbia. They cannot be assimilated into the economic activities nor into the social life of our country. They are not inferior, but they are incompatible in temperament. As regards those Chinese and Japanese who are in British Columbia now, my judgment is that it is difficult to control by legislation their economic activities. If you restrict the number who are allowed to have fishing licenses for salt herring or some other fish, you eliminate four or five hundred Japanese out of that industry. They must live and they have the right to freedom in this country to engage in something. They will exercise that by going into some other industry. They have gone into the business of growing berries, and now the Berry Growers' communicate with us—and I have some communications from them—saying that it is not right that Japanese and Chinese should work in competition with the berry growers, and they think they should be taken out of this industry by legislation. So if the government pursues a policy of legislating the kind of business in which these people shall not engage, they will go into some other kind of business. They will go into farming. If they are legislated out of farming, they will work at something else. In other words, acts of parliament to control economic activities of that kind are futile as against the economic laws. When people are in our country with limitations of reason and judgment and after certain exemptions are given to special cases, it is consistent with the dignity of Canada and the interests of our relationship as a nation with the other great nations with which we expect to establish trade and commerce, that we should be careful in passing legislation of that kind. It is not effective. It assists, let us say, fishermen by taking a certain number of orientals from that industry, but it hurts another group of men engaged in another business. I have not quite finished and I would rather conclude my remarks after eight o'clock.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 39, respecting Joliette and Northern Railway Company.—Mr. Denis (Joliette).

Bill No. 40, respecting The Ottawa Electric Railway Company.—Mr. Chevrier.

MARCONI WIRELESS TELEGRAPH COMPANY OF CANADA

The House in committee on Bill No. 21, respecting the Marconi Wireless Telegraph Company of Canada.—Mr. Casgrain—Mr. Gordon in the chair.

On section 4—Power to carry on telephonic communication.

Mr. GRAHAM: Does the amendment in connection with this section provide for control of telephone tolls by the Board of Railway Commissioners?

Mr. BOYS: That is dealt with.

Section agreed to.

Bill reported, read the third time and passed.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA

The House in committee on Bill No. 35, respecting The Mutual Life Assurance Company of Canada—Mr. Mewburn.—Mr. Gordon in the chair.

On section 1—Board of directors.

Mr. McBRIDE: I move to amend this section as follows:

That the following words be inserted after the word "law" in line 22, on the first page of the bill: provided that such by-law shall be confirmed by the regular annual meeting of the members of the company.

I can see no reason why this amendment should not be approved of by this committee.

Mr. MEWBURN: I do not wish to take advantage of any technicality but I do not think that the amendment is in order, under the rules of the House, one day's notice not having been given. However, I do not press the point. I cannot see the force of the amendment. This concern is entirely a mutual company having no share capital. At the last annual meeting of the company a resolution was passed unanimously by the policy-holders to the following effect:

That the board of directors of the company be and they are hereby authorized to apply to the parliament of Canada on behalf of the company for an act to amend the act of incorporation of the company so as to empower the board of directors from time to time by by-law passed and approved of by the votes of two-thirds of the members present or represented by proxy at a special general meeting duly called for considering the by-law—

And so on. We are not asking for any additional rights or powers or favours not accorded to a stock company under the Companies Act or under the Insurance Act. The Insurance Act provides that the directors of the companies empowered thereunder shall have power to pass certain by-laws giving them very full power, and the wording is almost identical with this. This is the way the clause reads:

The directors may from time to time repeal, amend or re-enact any such by-laws—

And such action confined at a general meeting—not the annual meeting—of the company, it is provided, shall have full force and effect, and so forth. All we ask here is that the directors may pass a by-law determining that the number of directors shall not be less than twelve and not more than twenty-two. The wording is identical with the terms of the Insurance Act to-day:

The number of directors shall be determined from time to time by by-law passed and approved of by the votes of two-thirds of the members present or represented by proxy at a special general meeting of the members duly called for considering the by-law.

If the directors pass that by-law, as it is within their rights to do, it must be confirmed by a special general meeting called for that purpose, and it would not be acted upon until the annual meeting, when the directors, whatever number was decided upon, would be elected, and the policyholders would govern themselves accordingly. I may say that the request has come from the policyholders themselves. This is a very large company operating all over Canada, and the policyholders have asked that the number of directors be increased in order that representation may be given to the west and to the Maritime provinces. I cannot see the force of the hon. member's amendment in the way of safeguarding any interests that are not already completely safeguarded. As I say, this clause is taken from the general Insurance Act. The bill was submitted to Mr. Finlayson for approval, and was also approved by the Banking and Commerce committee. I cannot see any objection to it.

Mr. GRAHAM: There are no shareholders at all?

Mr. MEWBURN: No. Under the Insurance Act of 1917 mutual companies were not dealt with,—why I am not prepared to say. That act provided for policyholder directors as well as shareholder directors. But this is a mutual company with no shareholders at all.

Mr. McBRIDE: Mr. Chairman I would first like to state that this section was carried in committee on division and that I did give notice of this amendment, but somehow or other it was overlooked and was not printed in the Votes and Proceedings. I cannot see why anyone should object to the amendment. It simply provides that such by-law shall be confirmed by the regular annual meeting, of which all the members of the company have been notified. When a special general meeting or a special meeting is called it is merely advertised in some of the local papers. I wonder how many people here or anywhere else read such advertisements? I do not think anybody does; indeed, very few have time. I do not say that they would do so, but in the absence of this proviso a few directors could get together and appoint other directors and have a monopoly in the management of the company, and if it was a paying proposition they might appoint their friends and relatives to easy jobs. I am not sent here to look after

the insurance companies, I am sent here to look after the working people of my constituency, and I think it is only right that I should take exception to this clause. I do not see why any directors should object to their actions being reviewed by the annual meeting and there approved of, or rejected. That is all I ask by this amendment. The directors can pass all the by-laws they want to, but when there is a general annual meeting I think all those by-laws should be subject to the approval of that meeting. Why should the directors object to such approval if they want to act fair and square with the policyholders? If they are working in the interests of the company, what have they to object to in the annual meeting passing on their actions? Why should they attempt to do something which they know the annual meeting will not approve of? I cannot see any reason for opposition to this amendment. As to Mr. Finlayson of the Insurance department having approved the bill, I took it up with him and he said he saw no reason why this amendment should not be inserted as a safeguard.

Mr. BOYS: Does my hon. friend contend that the directors are to be appointed at the special meeting of the company?

Mr. McBRIDE: As far as I am concerned, you can appoint directors at whatever time you like, so long as their appointment has to be approved of at the annual meeting.

Mr. BOYS: My friend misunderstands me. I gathered from his remarks that he was of opinion that if this clause carried the company would be able at a special meeting not only to fix the number of directors but to appoint them. If that is his view I think he is in error. All that can be done at that meeting is to decide the number of directors, and at the annual meeting their election takes place.

Mr. McBRIDE: All I ask, Mr. Chairman, is that whatever they do be subject to the vote of the annual meeting.

Mr. BOYS: That is the way it is now.

Mr. McBRIDE: That is the purpose of the amendment that I asked to be inserted, and that is what the hon. member for East Hamilton (Mr. Mewburn) is objecting to. I think I am only asking for what is right and proper. We have had samples of these insurance companies. I remember an insurance company in Vancouver which went under, and a very close friend of mine lost thousands of dollars. The company failed because a few of the directors secured control and appointed their friends to various positions at fancy salaries. Then the Bank of Vancouver became defunct under somewhat similar conditions, and the most recent example is the Home Bank. We cannot be too careful in erecting every possible safeguard against a repetition of such failures.

Mr. STEVENS: Mr. Chairman, I quite agree with my hon. friend (Mr. McBride) that we ought to be very careful to see that the interests of policyholders or shareholders are properly and adequately protected. It should be borne in mind that there are no shareholders in this company, only policyholders. The annual meeting is called, at which the general business of the company is transacted. One of the most important functions at that annual meeting is the election of directors. Let us get the background clearly before us. I think we are all agreed that we want legislation passed that is uniform and, as far as possible, free from beclouding clauses that might be capable of various interpretations. Consequently parliament in its wisdom passed what we know as the general Insurance Act of 1917. That act is supposed to be in the very best possible form. Like the Bank Act, it is revised periodically, and, as many hon. members will recall, it was revised very carefully a year or two ago.

I want to draw this to the attention of the committee. This company, which in years gone by was not under the general Insurance Act, is by this bill brought under it; that is, the company willingly places itself under the act, so that all the regular provisions of that act apply to it. In this case the original charter provided for the appointment of a certain number of directors, the maximum being twelve. Now it is desired to fix the minimum at twelve and the maximum at twenty-one, bringing it into harmony with the general Insurance Act. And it does something further. This company—and I say this not for the purpose of advertising the company because I happen to be a policyholder—this company is one of Canada's most outstanding insurance companies, and it is one of the best managed. It wants to come into harmony with the general Insurance Act and, furthermore, it wants to make its directorate more representative. I understand that the policyholders of my own province have expressed a desire to have a director on the board, and I think a similar desire has been expressed by policyholders in the province of Quebec, where it is desired to have two directors, one English speaking and the other French speaking. This is desired in order

to make the board completely representative of the whole Dominion. The clause under discussion provides particularly for the fixing of the number of directors at a special general meeting. The general Insurance Act, and nearly all if not all the provincial companies acts, provide that special general meetings shall be called for special purposes. That is, it is considered to the advantage of the shareholder to provide that for certain purposes special general meetings shall be held, rather than to crowd all the business into a single annual meeting.

Mr. GRAHAM: Does not the act provide that the business of the special meeting shall be mentioned in the notice?

Mr. STEVENS: Yes. The advantage of a special general meeting is that you can transact only such business as is designated in the notice by which it is called; consequently notice must be given. The question arises about the adequacy of the notice. What my hon. friend has said about people not reading the newspapers applies to all other matters as well as to this. The only thing we can do is to provide a reasonable safeguard, so that we call for notice in certain newspapers—adequate notice; reasonable notice.

Mr. NEILL: Is there not personal notification to each shareholder or policyholder in the case of the annual general meeting?

Mr. STEVENS: The notice for the annual meeting is sent out with the notice regarding the due date of the renewal premium. We have renewal notices going out during the entire year, starting, we will say, the day after the annual meeting and continuing right up to the time of the next annual meeting. If it was found desirable say in November to call a special general meeting to change the number of directors, and the annual meeting was in March, all the policyholders who had been notified before November by the process I have mentioned would have to be notified again in writing, at heavy expense; otherwise they would not have notice of the special meeting or of the business to be transacted thereat. So here is what occurs: Notice is given through the press; the special general meeting is held; the number of directors is fixed. It may be asked, what safeguard of their interests have the policyholders? That, indeed, is the question my hon. friend very properly puts. I submit they have this safeguard: At the general meeting which will follow later, the election of directors takes place. If it is found at that general meeting that during the year the directors have done what my hon. friend suggests they might do, then the policyholders have the opportunity of turning out the whole board and electing a new set of directors. The directors of that year, committing any faults, must face the policyholders or the shareholders at the annual meeting; they have no possibility of escape.

Mr. HODGINS: Is it not the case that only a few retire each year? The policyholders cannot turn all the directors out at once, can they?

Mr. STEVENS: One-third retire each year. I submit, first, that the bill, after its consideration in the Banking and Commerce committee, is considered to be in harmony with the act. Secondly, the Superintendent of Insurance was asked in regard to the matter. I do not think his name should be dragged in as a final authority, but he is called upon to safeguard the technique of our legislation and advise whether it is entirely satisfactory; and the bill has his approval. The bill places the company entirely under the Insurance Act, and the shareholders, or the policyholders in this case, are protected through the election of directors at the annual meeting. I submit that the bill should pass as it came from the committee, unless there is some very strong reason to the contrary.

Mr. ROBB: I may say on behalf of the department that we regard the bill as it now stands as affording every precaution on behalf of the policyholders, so that my hon. friend is quite right in that respect. But I would also like to say on behalf of the department that we cannot see any objection to the amendment of the hon. member for Cariboo.

Mr. NEILL: The hon. member (Mr. Stevens) drew our attention to the fact that this bill brings the company under the Insurance Act. Section 5 tells us that. Someone else stated that the Insurance Act was a very carefully thought out act, made applicable after long experience with all insurance companies. This company is prepared to put itself under that act, but like a great many of these companies they are not satisfied to be under the general act; they want a little more for their money than anybody else gets. The same thing occurs in reference to the Railway Act. I do not know whether we have a model federal Railway Act, but I know in British Columbia we have a strictly drawn up, carefully agreed upon railway act, applicable to every condition; yet practically every railway company that asks for a charter wants to get more

privileges than the general act affords. This company is not satisfied with coming under the general Insurance Act as practically all others do; they want more special privileges; they want to get what other companies cannot obtain. Something has been said about notice. There is no doubt that a newspaper notice has not the same effect as a direct personal notice to every policyholder or shareholder, which is the method adopted in the case of the annual general meeting. The hon. member (Mr. Boys) pointed out that this by-law only allows the company to determine the number of directors—in other words to increase it; and he says no harm can be done because while they may so determine the number of directors they cannot appoint them until the next annual meeting. Well, what is the use of changing the number of directors in say, July if, as the hon. member says—and I presume he speaks with knowledge—they cannot be actually appointed until the next annual general meeting in January?

Mr. BOYS: I have not studied this bill at all; I am not a member of the committee; I have no interest whatever in the company in question. I was prompted to say what I did because of the remarks of the hon. member for Cariboo. I was of the opinion from what he said that he thought the effect of this amendment would be to permit the election of directors at the special general meeting. He thought the meeting might not be well attended and that a few directors might get together and appoint friends of their own. I merely rose to make sure that that was his view and to correct him if it was wrong. I believe it is wrong, and I want to try to show that I am right in that contention. Let us consider the section for a moment; and I shall confine myself to the section under consideration. It says:

> The property, business and affairs of the company shall be managed by a board of twelve, fifteen, eighteen or twenty-one directors. The number of directors shall be determined from time to time by by-law passed and approved of by the votes of two-thirds of the members present or represented by proxy at a special general meeting of the members duly called for considering the by-law.

Now that is what they may do and that is all they can do. It must be manifest, I think, to every member of this House that they cannot at that meeting elect their directors. They merely determine what the number shall be. Now let us read the next few lines:

> The company may, by the said by-law, provide that the directors or any of them, shall be elected for one, two or three years, and that a certain proportion not less than one-third, shall retire annually.

That is the former provision, as members will see by looking at the marginal note, where they will find the very same provision. So there is no change in that respect. Now we come to the main feature, and this is what I would ask my friend from Cariboo (Mr. McBride) to look carefully at. I think he will at once see he is in error:

> At each annual meeting there shall be elected a board as determined by by-law aforesaid, but in no case shall such board consist of more than twenty-one nor less than twelve directors, all of whom shall be eligible for re-election.

I admit that the point that was raised subsequently is a different proposition. It may be said that if that be so, and you cannot elect until the general meeting, why not wait till then. But is it not desirable that they should know before the annual meeting the number of directors to be elected? It seems to me that if I were a member of the company, I would like to know when I was attending the annual meeting whether or not we were to elect twenty-one, eighteen or fifteen directors, and to know what the provision of the by-law was. I cannot see the slightest harm when you have control, because, as has been mentioned, if there was the slightest effort upon the part of a group at the special meeting to control, they could not do so. At the most they could fix at the special general meeting the number to be elected, and when the annual meeting took place, the shareholders attending there would be in control of the situation.

Now if the company themselves want this legislation, and they do, as has been shown by the member for East Hamilton, I cannot see why we of the House of Commons, particularly those of us who have no concern with the company, should in any way try to interfere with the desires of those who are the members of the company and whose money is in the company.

Mr. CARMICHAEL: I was one of the members of the committee when this bill was up, and I recall this same point being raised in the Banking and Commerce committee. To my mind, the whole issue seems to rest on the advertising that is done. In regard to the passing of the by-law, provision is made that it may be passed at the special general meeting. Now the advertising for that meeting, according to subsection 2, has to be in one or more newspapers published in the city of Toronto, and in such other places as the directors think necessary, at least one month before the hold-

ing of such meeting. That is the extent of the advertising necessary for a special general meeting, and at such special general meeting a by-law may be passed for changing the number of directors in the company.

The annual general meeting is advertised in a different way. In the case of annual meetings the directors "cause such notice to be printed and sent out to the policyholders." That is, the policyholder gets a notice of the annual meeting, and the proviso of the amendment is that the by-law as passed at the special meeting shall be confirmed at the annual meeting. Like the Acting Minister of Finance, I cannot see that there is anything really harmful or vicious with the proposed amendment. If the by-law may be passed at the special general meeting and there are only a few there, is it not simply a safeguard that it should come up again at the annual meeting, and if it is proper and in order be confirmed by the larger or annual meeting?

Mr. STEVENS: Let me point out to the committee this, that if this amendment carries, you do not correct the situation at all. You still insist that they call a special meeting, and you simply provide that the annual meeting shall confirm what the special meeting does. You do not escape the special meeting. The change is made at the special meeting just the same.

Let me point out also what the general Insurance Act now contains, to show that this is not inconsistent with it; in fact, it provides a further safeguard. The general clause provides:

> Directors may, from time to time, repeal, amend, or re-enact any such by-law: Provided that every such by-law, repeal, amendment or re-enactment, be confirmed at the annual meeting.

Now my point is that this particular clause as it has come from the Banking and Commerce committee is preferable in the interests of the shareholder to the clause in the general act; that is, it tightens it up a little, it improves it. If the amendment carries, you simply encumber the legislation with unnecessary provisions because you call the special general meeting in any case.

Mr. NEILL: What are the provisions in the general act regarding notice calling a special meeting?

Mr. STEVENS: No notice at all. The point I was making is that the directors may pass the by-law—

Mr. NEILL: What are the conditions for calling that special meeting? When it is a meeting called under the Insurance Act an individual notice has to be sent to the policy holder.

Mr. STEVENS: I cannot lay my hand on the clause at the moment.

Mr. NEIL: That I understand is in the Insurance Act, and that is the difference between a meeting called under the Insurance Act and a meeting called under this section of this bill.

Mr. McBRIDE: Not one of those who are opposing this amendment has attempted to say it is not right or proper. They are simply beclouding the issue, getting around it, and doing a whole lot of talking and taking up the time of the House. They know the amendment is right, and if they say what they know to be right, they would say so in my opinion. I do not know that I will take up further time. They certainly cannot convince me it is not right. Our Acting Minister of Finance says that he sees nothing wrong with it, and Mr. Finlayson, who is well paid by the taxpayers of this country, also thinks it fit and proper. He sees nothing wrong with it. Why, then, should we not carry it?

Amendment agreed to; Yeas, 54; Nays, 28.

Section as amended agreed to.

Sections 2, 3, 4 and 5 agreed to.

Bill reported, read the third time and passed.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. LADNER: When the House took recess at six o'clock I had been discussing some questions of protection and had not concluded my remarks, when my friends asked some questions, being interested in the subject, or rather perhaps I should say they were not interested in it. I had intended to give as an example of the unreasonableness of the relative protective tariffs or the relative tariffs in Canada and in the United States in regard to the commodity of eggs. Our American friends in the state of Washington informed us that their chief market for eggs was the city of New York and the city of Vancouver. With their co-operative system they were able to send their

eggs into Vancouver against a duty of three cents a dozen, but when my friends in British Columbia desired to return the compliment by sending eggs to the state of Washington they were met with a duty of eight cents a dozen. We have a large quantity of eggs coming in from China. The hon. Minister of Agriculture (Mr. Motherwell) is supposed to have a Marking Act, or something by which he can restrict or limit that importation, but we find that he does not do so. Either his regulations are at fault or his free trade theories prevail. Nevertheless Chinese eggs are coming in and are a source of considerable comment and objection, on account of the unfair treatment of the people of our province.

I think perhaps the best example of the government's efforts to make fruitless the effectiveness of the law is disclosed in the Duncan report. The anti-dumping law was applied, and legitimately so, at the request of the producers of fruit. The duty was paid, and when everything had died down, so far as public disclosure was concerned, at the request of the combine the government calmly paid back, consistent with its free trade ideas, the anti-dumping duty, and the suppliers of fruit kept on sending it in, knowing perfectly well that they were dealing with the department in a manner that would enable them to escape payment of duty all the time by this questionable method. The facts are disclosed in the Duncan report. There has been no action. I have noticed that one of these very provinces decided that they would not take action so far as the Duncan report was concerned and stated that it was the responsibility of the federal government. No doubt the government will make their decision shortly.

Mr. MURDOCK: Will my hon. friend say which province he refers to?

Mr. LADNER: I think it was Manitoba. It appeared in a newspaper a day or two ago.

Mr. MURDOCK: We have no advice to that effect.

Mr. LADNER: I am afraid the government will dilly-dally along, no action will be taken, and the trusts, combines and mergers will prevail, notwithstanding the good commencement in their restrictions. It seems to me that the practices as disclosed in the Duncan report are so reprehensible, so much in defiance of the law and against the will of parliament, that the government should and ought to act expeditiously in this matter and if the province does not intend to take action, the federal government should do so.

I wanted to say a few words on an important question affecting our province, namely the question of freight rates. Not seeing the Prime Minister in his seat at this moment, I believe that our friend, Mr. John Oliver is rapping at his door to gain entrance for consideration of this question, and as the Premier of British Columbia does not smoke and the right hon. leader of the government will not be able to give him a cigar, I am wondering what he will give him on this occasion. The freight rates question has been standing a long time. The government was going to bring down a great announcement, embodying the principle of some kind of Magna Charta, for the benefit of downtrodden Canada. But it has not come. They were going to remedy this freight rates question. The Supreme Court of Canada followed the law and made a decision which has caused confusion and distress in many places throughout Canada, so that business concerns are unable to make their plans and injustices are being practised from one end of the country to the other. I take it that freight rates have four main purposes, and I am quoting from a pamphlet of a Mr. Payne which seems to summarize the matter effectively: First, in the aggregate results, to provide for operating expenses; second, to earn fixed charges on outstanding liabilities; third, to yield a fair and reasonable return on capital investment, and fourth, to leave a credit balance for the purpose of needed additions and betterments. I think that will appeal to the reasonable good judgment of every hon. member; but we are not going to obtain those purposes by political freight rates or by cases of political expediency or political alliances by building up such an instrument of turmoil as the Crowsnest pass agreement, so far as it is applicable to-day. Every day we read in communications from the west and also from Ontario objections by boards of trade and other public bodies of all kinds. Yet we find no action on the part of the government. The House has been sitting for several months and very little has been done on this most important question. In fact, so far as I can see, very little has been accomplished in regard to any other question. We are just drifting along; we shall soon be in the hot weather and be running home, not knowing what we have done or why we have done it. It is interesting to note that, compared with other countries, freight rates in Canada, calculated on a basis of earnings per ton-mile

of railways, are lower than in any other country. They are as follows:

	cent
Canada	.987
United States	1.125
Sweden	3.830
Norway	4.411
New South Wales	3.202
South Australia	3.105
Great Britain	2.943
Brazil	6.010

I give these in detail because I want the record on Hansard. Therefore, if we are going to accomplish the four-fold purposes that I mentioned a moment ago and maintain rates which are already low and retain our system in a position that it will not only meet the fixed charges but warrant confidence on the part of the investing public, something must be done at the present time to grapple with the situation. We from British Columbia, believe; in fact, we know that for many years there has been an unfairness in the treatment of that province in respect to freight rates on many of our important articles. We have had a partial remedy. We have had the mountain scale of rates reduced by one-half, and this clearly indicates that the principle of the mountain scale of rates is wrong. We say that the balance should be eliminated. There are other injustices, inequalities, which should be remedied, and for my part I would not like to see parliament make political freight rates for either British Columbia or any other part of Canada. You can make freight rates only by the advice and judgment of people competent to determine the question, and those people are the institution created by the late Laurier government, the Board of Railway Commissioners. I think it would be a great mistake if parliament attempted to deal with this question and to have brought to bear upon members of parliament as well as the government political influence which will be calculated only to bring about results suited to the interests of some particular section because it has political control. It will be a disaster for the country if we are faced with a situation of that kind.

Mr. KELLNER: Was it not the railway commission which established the mountain scale of which the hon. member complains, and was the railway commission not under the chairmanship of the present hon. member for West York (Sir Henry Drayton) at that time?

Mr. LADNER: I do not think it was the railway commission that established the mountain scale of rates. My recollection is that this was done under the old system when the railways fixed the rates. They thought it cost them more to build in the mountains. Now that we have the Canadian National, we find the mountain route is not more hilly than the prairies. The hon. member is mistaken in his statement. As regards the chairman of the board, I have no doubt the hon. member for West York who was then chairman of the board, carried out his duties with the same conscientious judgment and decision as he does in this House.

Mr. KELLNER: Will the hon. member tell us just what experience or reason he has for thinking the present chairman of the Board of Railway Commissioners is an authority on freight rates? Has he ever had any experience in regard to freight rates?

Mr. LADNER: I am not here passing judgment on the personnel of the board. In this chamber we can discuss better the principles of these things and policies rather than individuals. If there is not a good chairman on the board, the government is here to rectify the situation. That is the duty of no one else. I suggest to the hon. member that I doubt very much whether he or any of his friends, faced with the responsibility, would place upon parliament the determination of the freight rates question in this country. I think they would prefer some tribunal qualified by experience in the matter to determine such a complicated question. I hope the government will at some time speak, because there is a patient and long-waiting public in British Columbia seeking to find out exactly the policy of the government on this freight rates question. The government is no doubt in a difficulty. They are no doubt face to face with their masters, and the Crowsnest pass agreement is one of the big things which my friends to the left would like to hold and carry back to the prairies and, without doubt, seek to get some political advantage out of in a contest. I speak quite sincerely when I say I hope and believe individual members looking to the interest of Canada as a whole will have the breadth of mind and altruism of spirit that they will be disposed to leave a question of that kind outside of the realm of politics and entirely within the realm of a body capable of dealing with it. Certainly parliament is not such a body.

9 p.m.

Before sitting down, I should like to draw to the attention of the government the fact that the amendments to the Pension Act are still not brought down. I should like to remind the Prime Minister (Mr. Mackenzie King), if he were here, of that challenging and defiant speech which he made on the

last day of parliament, when parliament was about to prorogue and nobody could answer him, as regards what he was going to do with the Senate as they had done such grievous injury to the soldiers of Canada, when in fact, by the deliberate intention of the government, I believe, the government deferred bringing that measure down in the House and placing it before the Senate so that the latter could have no time to discuss and pass it. This session of parliament is passing on. We assembled on the 5th February; two months and a half have gone by, and the measure is still within the confidence of the Minister of Soldiers' Civil Re-establishment (Mr. Béland). Communications have come to me and, no doubt, similar ones have come to other hon. members from soldier bodies throughout Canada asking what is going to happen and saying: Do you calculate the Senate is going to interfere with the legislation? But the government refrains from taking steps so that they could place this legislation before the Senate and enable the Senate to consider it and so that they could charge them with the full responsibility of their act. I hope the government will make more haste this year than they did last, not leave it until the last days of the session and then blame everyone in the country but themselves for the fact that the legislation is defeated.

In this connection I want to say a word on a matter I have not heard discussed in the House and which sooner or later is bound to engage the attention of parliament, and that is the question of providing for those ex-service men who through the technicalities of the law are denied a pension but who gave their services overseas and whose health in so doing was impaired. The time will come when that class of men and others in their old age will have to be considered by parliament and the people of Canada; we shall have to take into consideration those of our returned men who having given their services overseas now find themselves in a helpless and destitute condition, unable to provide for themselves. At that time it will be necessary in my judgment, and indeed it will be the duty of the people of Canada, to make provision for these men. I have advocated this before and I advocate it again to-night; and I trust that the government in considering legislation looking to this end will see fit to bring in some measure that will adequately take care of this class of our citizens. Finally, I would express the hope that the government will before long not only bring down those measures to which I have referred and in which the provinces are interested and are waiting for some decisive action, but that they will show some decision in dealing with the many questions before parliament. I hope we shall have no more alliances between the government and our friends to the left, that the government will no longer show those hon. gentlemen undue deference, but rather that they will bring to the House legislation calculated for the welfare of the people of Canada.

Mr. E. R. E. CHEVRIER (Ottawa): I shall not endeavour to follow my hon. friend in all his meanderings through the labyrinth of figures which he has given to the House on the budget. My hon. and learned friend is a distinguished lawyer, and I could very well and easily juggle with the figures in the way he has done. But I am satisfied that no matter how he manipulates them he is bound to come to the same conclusion as the Acting Minister of Finance (Mr. Robb) has reached. One thing though that did surprise me, knowing the hon. gentleman as I know him, was that, genial companion as he is, he should put on the cloak of pessimism and treat this country in the way he did. He made the statement that for some time past there has been a steady flow of Canadians into the United States. I have not taken the time to check him up in every detail, but I do know that the last report shows that 35,152 Canadians came back from the United States in the period of eight months ending November 30 last. There is no steady flow of emigration from Canada into the United States. The hon. gentleman has said that one of the reasons why some of the European population did go there was that they were attracted by the news that came from that country. But it is equally true that some of our Canadians were attracted by the same news; although once they got there and spent a few months in the country they found it advisable to come back. For after all, as they found, there is no place like Canada to live in.

Mr. LADNER: If 35,000 have come back will the hon member tell us how many have gone over?

Mr. CHEVRIER: The balance is increasing on our side every day. The hon. gentleman will not dispute the statement that within the last few months they have been coming back at an enormous rate, and I for one know that in the city of Ottawa, where there was a scarcity of skilled mechanics two years ago, there are now more skilled mechanics than we can employ. The men

are coming back continuously. I shall not go any further with the remarks of my hon. friend. Before proceeding I should like to say how happy I am to join with all the other speakers who have preceded me in extending to the Acting Minister of Finance (Mr. Robb) my congratulations on the budget he has brought down.

I shall speak only on one or two outstanding features of the budget, for as I agree with what the minister has said it would be useless to labour it at any great length or to repeat what has already been brought to the attention of the House. The most conspicuous fact brought out in the budget is the improvement which it shows over last year, while last year was the first fiscal year in a very considerable period when the budget had been balanced. And not only is the budget balanced this year, but we have a surplus of $1,800,000. In making that statement the Acting Minister of Finance rightly said that the people of Canada should feel justifiably proud of this result, and I believe myself that the Canadian people, irrespective of political allegiance, will be particularly glad to know that our finances are being stabilized and improved. I feel quite confident therefore that when again we go before the people they will place their confidence in those who in a very short term of years have brought about such an improvement in the financial condition of this country.

There is another feature that strikes us in all this avalanche of figures. Notwithstanding the fact that the taxes have been reduced by some $50,000,000 odd the national debt has been decreased by $36,000,000. That is an achievement of which the Canadian nation should be proud; only in a few instances has it happened that the national debt has been reduced.

One matter of outstanding importance which I shall touch upon is the magnificent showing of the Canadian National Railways. I am sure the people of Canada look with pride on our National Railways and that they are grateful to the administration for the splendid manner in which the system has been operated. I am not one of those who believes in state ownership; but when we found ourselves in the position we were in with our railways, and when the policy of the government was announced and advocated and the government decided to give the railways a fair and honest trial, I made up my mind to do them equal justice myself. I am not yet convinced however that it is a good scheme; yet we have been loyal in our endeavour to help out the National Railways. And in that we have been seconded by a very capable board of administration. I am confident therefore that if we continue that trust and loyalty in the Canadian National railway system; if we continue that administration; and if that administration continues to manage the system as it has managed it in the past, very soon the railways will be on a sound financial basis and probably the Canadian government will not be called upon to assist them.

I desire now to turn to something more parochial: the budget serves that purpose in a number of instances. I might not have referred to it but a number of previous speakers have spoken about the Civil Service Commission. I am not going to speak at any length on that subject because my views upon it are quite clear; I have expressed them on a number of occasions. And they are particularly laid down in the report of the civil service inquiry of 1923 of which there are over 1,150 pages. Unfortunately, I am responsible for practically half of that volume. I have laid down there what I thought to be the true state of affairs. I say that the Civil Service Commission is attempting to administer an impossible law. I believe that those who inspired that law did not realize at the time the consequences that would flow therefrom. I cannot conceive that anyone imbued with an elementary idea of efficiency, of assuring promotions according to merit, in all cases, at all times and at the least expense, would put on the statute books a law of that character.

There are many aspects of it. It is a cast iron law, there is no flexibility about it. The deputy ministers are deprived of a large amount of their authority and are rendered practically powerless. I cannot blame those who are now endeavouring to administer the act; but I do blame those who placed it on the statute book; I do blame those who, when any honest endeavour is made to correct and improve the act, for some partisan purpose oppose every amendment; I do blame those who, moved by some sanctimonious sentiment, consider the Civil Service Act as a holy of holies, against which no hand should be raised, not even with the view of improving it. The moment we say that we want to improve that law they reply, "Thou shalt not touch it." It is something like old King Tut's grave, that if you place an unholy hand upon it you shall die. And in a number of instances the Civil Service Act has proved to be a King Tut's grave to the ambitions of a large number of civil servants.

The Civil Service Commission may be viewed from another angle, and that is with regard to the present salary revision. I say that 98 per cent of the civil servants earn every cent of their salary, just as much as

98 per cent of the employees of any large corporation fully earn their salaries. I say without fear of contradiction, for I know whereof of speak, that the service is not underworked, nor is it overmanned, but I say also without fear of contradiction that the service is underpaid. I know a certain number of gentlemen here will not agree with me, but had they lived in the city of Ottawa all their lives, had they themselves been employed, as I have, as civil servants, had most of their relatives and friends been employed in the civil service, had they felt what the civil servants are feeling to-day, and what I felt then, they would not make the statements they are making derogatory of civil servants. The salary revision must be settled once for all, and it can only be settled when those who are charged with the administration of public affairs give it an honest and fair study. When they give to the Civil Service Commission and to the civil service that study which they merit, then those unwarranted attacks will cease, and those who came to scoff will remain to pray. They will say then just what the leading statesmen of Great Britain say about the civil service there; and the civil service of Britain is no better and no worse than the civil service of Canada. The British civil service is doing its work loyally for the country—just as much as the civil service of Canada is doing its work loyally by the country. The statesmen of Great Britain treat their civil service with the respect which it deserves; and the civil service of Canada is entitled to the same consideration. Now, what do the British statesmen say? I take this from the Ottawa Journal of April 2, 1925:

The annual dinner of the British civil service recently took place in London and was as usual a brilliant affair. It was honoured with the presence of royalty and of the most illustrious personages of the realm. In the long list of distinguished guests were the Prince of Wales, the Prime Minister, the Speaker of the House of Commons, the Chancellor of Exchequer, the Foreign Secretary, the Lord Chief Justice, the Chief of the Imperial General Staff, and so on.

The Prince of Wales warmly eulogized the British civil service, and proceeded to say:

"It is difficult, if not impossible, for anybody to express in words the extent of the debt which this country owes to succeeding generations of civil servants, who, as government followed government, have never failed to serve with unquestioned loyalty and efficiency."

What difference is there between that and the loyalty and efficiency of the civil service of Canada?

In proposing the toast of "His Majesty's Civil Service," Premier Baldwin, after referring to the ephemeral life of governments and the permanency of the civil service, stated:

"It is a great pleasure for me to be present once more at your dinner and to be allowed the privilege of paying my tribute to the British civil service—the finest service of its kind in the world."

Had he seen the Canadian civil service he would have said, "One of two of the finest."

Amongst other things, Mr. Winston Churchill, Chancellor of the Exchequer, said:

"The British civil service upon the whole, and amongst many others, is the strongest and most enduring bulwark of the power and integrity of the British people."

Addressing himself to the civil service, Mr. Austen Chamberlain, Foreign Secretary, said:

"We remain to all eternity your grateful debtors."

And the Journal adds:

Such is the attitude of British statesmen towards the civil service. Very different is that of Canadian politicians towards our own civil service, which is the object of their constant attacks.

There is another paramount defect in the civil service law, in that the Civil Service Commission in their discussion of this salary revision are advised by their own officers, 95 per cent of whom have never had any practical experience in the working out of civil government, most of them having been taken into the Civil Service Commission without any practical knowledge of department work. Whatever knowledge they have acquired has been since they joined the staff of the commission. They are the ones that are charged with the reorganization, with the recommendations, with the determination of the accuracy of the reports. They are passing upon the qualifications of men and women, particularly of men, who have been in the civil service for thirty or thirty-five years, while these officials have been in their present positions probably no longer than since 1919. True, the deputy ministers, it may be said, are acting also for the civil servants and for the government. But theirs is a dual responsibility, and this brings me to what I consider to be a paramount defect,—that the civil servants themselves are not represented in these deliberations that concern themselves most. I advocated the amendment of the act—it will be found in this report—to overcome this defect, but I am prepared to say that hon. gentlemen across to my left and to my right would immediately vote against such a resolution if I moved it here. I say that in all these deliberations the civil servants should be represented. I have advocated the introduction of something like Whitley councils. When I was in London I had a lengthy interview with the Speaker of the House of Commons, the Hon. Mr. Whitley, who inaugurated these councils, and I am corresponding with him. The main defect of our system is that in these deliberations everything is cut and dried and the civil servants

themselves, the very people who are most vitally interested, are never consulted. Some hon. gentlemen may say that it is hard to please a considerable number in so large a service. Why, if say sixty thousand people in any large industrial concern were not taken into the confidence of the employer there would be much less harmony, very much more discord, than there is at present in the ranks of the civil service.

This salary revision question is a difficult one. I have given it considerable attention. I do not know what the recommendation will be of the Civil Service Commission. They may have made a recommendation to council or they may not; I do not know; but I have my own views on the subject and I will give them for what they are worth. I have consulted a large number of civil servants; I have conferred with heads of organizations; I have digested all the evidence and have come to my own conclusions. In doing so I have had in mind the principle of equal pay for equal work. I have not disregarded the status of married civil servants, in other words, those who are considered eligible for household bonus. But I do believe there should be no discrimination; the range of salaries should be increased for all. I find, however, that it would cost a considerable amount of money to provide what I thought would be a fair salary range and I have been obliged to dwindle it down. Of course my remarks may not influence the Civil Service Commission at all, but at all events I think they are justifiable. I do not believe any one should start in the civil service at less than $900. The next class should be $900 to $1,200; the third class, $1,200 to $1,500; the next class, $1,500 to $1,860; and the next $1,860 to $2,340—doing away with the bonus. Everyone in that case would receive not what I consider an adequate compensation for the work which is being done, but at all events something that would be commensurate with the loyalty of the services.

There is a third point upon which I wish to touch; and I quote now from one of the memoranda that was submitted to me in this matter. Referring to the superannuation law, it says:

> Although it is recognized as a very generous measure, providing as it does a competent allowance for the maintenance of the retired civil servant and an allowance more or less generous to dependents, it is yet susceptible of improvement.
>
> It could scarcely be supposed that an act could be framed that would at once make equitable provisions for all the intricate cases existing in the service, and it is reasonable to suppose that the government is prepared to receive requests that amendments should be made to the act.

And it was on that understanding last year that I gave it the study and attention that I did. I shall not go into the suggested amendments at length, but will just refer to a few of them. For instance, the retiring age is a very important feature; the authorities agree that about sixty-five should be the age of retirement, and superannuation should be at the option of the employee at any age after sixty. The act as it stands now makes it seventy-five, and the result is that avenues of promotion are blocked to a number of civil servants. But a very obnoxious amendment —and I do not use that word with any disrespect—was added to the bill last year; it is one of the most drastic changes in the act. The House passed the bill without any amendment but in the Senate the four per cent provision was made applicable to the arrears of contributions. With the permission of the House I would like to read just one letter, which is typical of many others but which puts the whole thing in a nutshell. I quote:

> Under the present conditions we have the option of surrendering one half of our length of service, instead of paying the accumulated arrears of the five per cent abatement, plus four per cent simple interest on the same. This surrender of one half the unpaid years of service of course very materially reduces the chances of ultimately obtaining full pension, unless the employee is fortunate enough to be of an age which enables him to serve on long enough to complete the required thirty-five years for full pension, or seventy per cent of his salary.

May I interject here that I honestly believe that when that amendment was introduced no one who took part in the discussion had the slightest conception of the difficulty it was going to create, of the hardship it was going to bring about, of the impairment it was going to cause in a law designed to retire those who had reached the retiring age. I quote further from this letter:

> However, when a man reaches the age of sixty years this is almost an impossibility, because the retiring age is set for sixty-five, and in exceptional cases for the age of seventy.

Now, here is the case. This civil servant says:

> In my own case I have put in forty years of service, during the first thirty-five of which I paid no five per cent abatement of any kind—was not permitted to do so; but for the last five years I have paid this five per cent of my salary. The accumulated unpaid abatements together with the four per cent interest thereon amount, in my case, to about $6,000, which of course makes it out of the question for me to pay, and consequently I have to take the option of the surrender of one-half of my unpaid service. This as above stated, is thirty-five years, so that I would have to surrender seventeen and a half years, leaving me with a similar length of service, together with the five years that I have paid; so that after forty years' service I am only credited with twenty-two and a half years on which my pension can be computed, and I have to take chances on being able to carry on for a few years

longer to try to attain as long a period of service for pension as possible; and as I am now in my sixty-first year the chances of obtaining the full thirty-five years of service for pension are almost impossible, as I could not serve for twelve and a half years longer even if I should be in condition to do so, as I should have passed the limit of seventy years of age.

Sir EUGENE FISET: Did that official not have the option of retiring under the Calder Act?

Mr. CHEVRIER: Yes, but as the distinguished hon. member is well aware, he was not entitled under that act to superannuation and the benefits attaching to it. He could have retired under the Calder Act, which was a generous measure, but that act had no superannuation features.

Sir EUGENE FISET: You mean, for his family?

Mr. CHEVRIER: Yes. When I say, superannuation, I refer to all the features that go with superannuation. Under the Calder Act the civil servant was not given superannuation; but superannuation means that he gets a certain amount every month and that after his death his wife benefits to the extent of one-half of what he had been getting. Under the Calder Act he got simply a lump sum.

Sir EUGENE FISET: Oh, no.

Mr. CHEVRIER: I beg pardon, I am wrong; the Calder Act was based upon the length of service, in relation to which a certain amount was given.

Sir EUGENE FISET: The only difference between the Calder Act and the recent Superannuation Act is that the former did not provide for the family.

Mr. CHEVRIER: Yes, we are agreed on that. But the Superannuation Act does so provide, so that there is an immediate benefit, and that is the reason why we struggled so hard to get a superannuation law to replace the Calder Act—because there were superannuation features for the dependents after the death of the employee which were not given by the Calder Act.

Sir EUGENE FISET: May I ask, as a matter of information, how that four per cent provision would affect the man who retires, not under extraordinary circumstances such as have been mentioned by my hon. friend, but in the ordinary case where a man has completed about forty years' service?

Mr. CHEVRIER: It does not apply to the Calder Act. Nobody wants to take the Calder Act, or very few do, if they can take superannuation under the other measure, but they will be driven to taking the Calder Act if they have to pay such exorbitant amounts to come under the new superannuation law.

Mr. CALDWELL: Is it not a fact that the Calder Act is now repealed?

Mr. CHEVRIER: They have until the 19th of July, I think it is, to elect between the two.

Mr. CALDWELL: I thought the Calder Act expired in November last.

Mr. CHEVRIER: I am just going to ask that it be extended.

Mr. CALDWELL: I think we will see that you do not extend it.

Mr. CHEVRIER: I am awfully sorry that my hon. friend should take an anticipatory view. Probably if I had given expression to some feelings, I might have said considering the success I have had in past attempts to modify the law, my proposition to extend it would have ended in King Tut's grave.

Mr. MILLAR: In the case of a civil servant who has retired and is receiving a pension, and who afterwards takes a remunerative position, does the pension cease or continue?

Mr. CHEVRIER: He cannot take another position in the service.

Mr. MILLAR: Outside the service.

Mr. CHEVRIER: Oh yes, he can go outside and endeavour to earn his living. It was a bargain that after he had served thirty-five years, he would be entitled to full pension, and that if he had served less than thirty-five years but more than ten, he would be entitled to retire for ill-health or on other grounds stipulated in the law. That is the bargain that was made, and once the civil servant has done his part of the bargain, and once the government has complied with the terms of its side of the bargain, the civil servant may do as he pleases. He may go out and work and endeavour to increase his income, and his pension is not touched. I think that is only equitable.

Mr. MILLAR: If he retires on account of ill-health does that also apply?

Mr. CHEVRIER: I do not know whether he would be well enough to work. He might write a book, he might become an author or a member of parliament, and there is nothing wrong in that. He has served his country for a certain period and is entitled after he has served the time stipulated to receive his

pension. We are not the masters of to-morrow. A man may be ill to-day and unfit for service, and be well again to-morrow. So I see nothing wrong in that provision.

I will just mention another head—I will not discuss it—and that is with regard to unmarried contributors in particular, but of all in general. I would suggest that contributions should be returnable without interest to the contributor, his dependents or estate as the case may be, without limitation, at any time that he may quit the service. That is, this superannuation measure was brought in for one purpose, and that was to help in the elimination of those who had reached a certain age and could not give the full benefit of their activities in the same proportion that their remuneration came to them. But in order to achieve that, we must not make it so difficult that they will refuse to take advantage of the terms. On the other hand, if we give them a superannuation measure and make it so stringent that people will be deterred from coming into the service because they know it is going to cost them too much, then we are more or less biting off our nose to spite our face, because the law will not work. In a number of cases, if this provision is allowed to remain, people who would feel like making the civil service their career will be deterred from doing so because they will argue: If I serve for nine years, and then for some reason have to get out, I shall lose all the money which I have paid in.

Now to come to the kind interruption of my hon. friend who asked whether the act had come into force.

Mr. SHAW: Before the hon. gentleman takes up that phase, would he permit an inquiry? I understood him to say that he had had a conversation with Hon. Mr. Whitley on the operation of the Whitley councils in England. but I did not gather from what Hon. Mr. Whitley had said, whether he was satisfied with the application of the Whitley council to the civil service, or whether he was dissatisfied.

Mr. CHEVRIER: When I was in England, I was there in no official capacity whatsoever, and I had, of course, no official status when I discussed this matter with Hon. Mr. Whitley. I was simply looking for information. He did not seem to think there would be any difficulty in the way of applying the Whitley council scheme, or probably some modification of it; he seemed to think that would be quite feasible, though not, probably, in the form of the Whitley councils as they are known in England in their application to commercial life.

Mr. SHAW: They have it already in the service, have they not?

Mr. CHEVRIER: Yes, but of course, Hon. Mr. Whitley, gracious as he was, was not going to say to me: Undoubtedly you can apply that to your service in Canada. But I gathered from his remarks that he saw nothing that would militate against it. Considering the present state of this new superannuation measure and the difficulties that go with it, I think the government would be well advised if they considered extending the time beyond the 19th of July next within which the civil service may elect to come under the act. If the government was to give some assurance that some of the amendments I have suggested would be considered this session, then probably the time would not require to be extended, and a larger number of the civil service would take advantage of the superannuation measure.

Mr. Speaker, I have said a few things about the budget; I have said something about what I consider very important to my own constituency. May I now be allowed to say just a few words on what the hon. member for New Westminster (Mr. McQuarrie) the other night said was a great privilege, and that was our visit to South Africa. I shall not be as lengthy as he was, not that I could not say as much, but because he has in a very able manner graphically described all that took place. I want to treat it from a different angle, and I do not propose to follow him up the meanderings of the Zambesi and along. May I in this connection say a word or two with reference to the Empire Parliamentary Association, the guests of whom we were on that wonderful trip. I take this from one of the reports of the Gentleman Usher of the Black Rod, who, as everybody knows, is the secretary of the Empire Parliamentary Association. Let me say that there is a vast difference between the Inter-parliamentary Union, and the Empire Parliamentary Association. I am now speaking of the Empire Parliamentary Association:

> The organization is upon strictly non-party lines.
>
> There is a branch in each parliament of the empire, for the purpose of providing introductions and hospitality to every self-governing country of the empire for members visiting from other such countries, and also for providing for travelling facilities, special information, parliamentary privileges, meetings among members of parliament for the discussion of matters of mutual interest, and general machinery enabling parliamentarians both to hold more constant intercourse by

visiting other portions of the empire with a minimum of expense, and also to obtain the maximum of useful information they might require to collect in the time at their disposal.

It was the South African branch of the Empire Parliamentary Association that organized this trip. I want to say just a few words as to our arrival in Durban. Hon. Senator Boyer, who represents the Vaudreuil or Soulanges district in the Senate delivered a speech at Durban, and presented to the city of Durban a photograph of the monument which is now to be seen in Montreal, of Sir Benjamin Durban, who founded Durban, and who died in Montreal. South Africa is a wonderful country. I do not want to go over the itinerary of the trip, as I said a moment ago, as that was so well done by the hon. member for New Westminster the other evening. However, I cannot resist the temptation of saying one word as to the things which struck me most forcibly.

As one looks back on South Africa he cannot forget the spell of the Karoo or the majestic grandeur of the Drakensberg, with the rapturous beauty of the valley of the Thousand Hills; nor shall I attempt any description of the fascination of the Kalahari, the tranquil placidity of the Zambesi, flowing so calmly through the enchanting borders of luxuriant vegetation, nor the appealing and awe-inspiring spectacle of Victoria falls; nor shall I make any attempt to express to you the deep fascination of a night on the veldt, beneath the incomparable star-studded heaven, with the eternal breeze wafting over the veldt; that never-to-be-forgotten, peculiar odour of the dried, parched, sun-burned clay, drinking the dew under the silvery beams of a moon, the like of which I am sorry to say I have not seen in Canada. Nor shall I attempt to picture the wonderful variety of flowers that bloom in myriads, twenty-four hours after the refreshing rain; and no one could describe the exquisite variety and beauty of birds that people the forests of Knysna, of Southern Rhodesia and other portions of that enchanted land. Those memories one may cherish, but they are beyond description.

But what struck me most was the fortitude of the people of South Africa. South Africa is not an easy country in which to settle and those men and women who did settle there had to pay a great price, but when they do pay that price the reward that South Africa brings is well worth fighting for. I think I owe a debt of gratitude to the Canadians who settled in South Africa, and they have not been mentioned. At Pretoria I met Mr. Pearson, who for twelve years was an employee of the Royal Canadian Mint at Ottawa, and who is now Deputy Master of the Mint at Pretoria. At Salisbury we met Mr. Cleveland and his wife, who settled in Africa some thirty years ago. Mr. Cleveland came from British Columbia and his wife from the Maritime provinces. They are now the owners of immense tracts of land, comprising fourteen large farms. Curiously enough, his son was in the employ of this government in the pension board and is now practising medicine in Vancouver. I also met Sir Charles Coghlin, who is now Prime Minister of Southern Rhodesia, and he told me how happy he was at seeing the Canadian delegation, and particularly of meeting those he knew so well, the hon. Speaker of this House and hon. members, and he gave us details of that wonderful occasion in 1910 at the inauguration of the South African Union, when our distinguished Speaker of the House, representing Canada, delivered a wonderful oration. I met a number of people in South Africa who well remember that memorable day. We also met General Smuts at Rustenberg, who spent the whole of one day and an evening with us on the train. In the geological museum at Pretoria I was pleased to see quite a number of exhibits of Canadian minerals, and particularly a wonderful sample of mica from the Wallingford mines at Perkins Mills, just a few miles from here in the Gatineau valley.

As I said before, we were sixty-three days on South African soil. The British delegates, the Australian delegates, the New Zealand delegates and the Canadian delegates, with the South African delegates lived together either in close intimacy on the train or in the hotels, but particularly in the large centres, very much closer to the South African people. We were in close intimacy with the delegates and people of South Africa in that we shared their family life, slept under their roof, ate at the same table, and had a number of conferences with them, and discussed the many difficulties which confronted the administration of South Africa. In that way we really entered into their mode of thinking, we understood more readily their ideals, their ambitions and their desires. We came into close contact with their problems and difficulties, and appreciated in a better way the struggle which is theirs for continued advancement of their country, but above all, we were in a better position to appreciate the kindness, the warmth of feeling, and the generous hospitality of these people. We have learned to appreciate, to esteem and to love them. We

have found in them British subjects imbued with the same ideals and desires as ourselves. We did not live under the roof of people of British origin only, but in a number of instances we were billeted with native Dutch people of South Africa; there we found the rivalry for generous hospitality and kindness of heart, and we learned to appreciate and to love them also, because we have found them to be true and loyal. We have found them to be people whose sole desire and ambition now is to make great their heritage and to forget the strife and differences of the past. We have been able to study quite vividly the problems and the difficulties that confront these British brethren in that portion of the world, particularly the question of the blacks; and if we can in any way help them, after they have found the solution—because the finding of the solution rests with them—I think it is one of our duties to help them.

They are divided in South Africa amongst political parties but they are all striving in the one direction and I do not place great stock in the reports that come to us in regard to them. They are divided into the Nationalist party, the Labour party and the South African party. Often the three parties are represented in the one family, and yet they labour with the greatest harmony. Might I instance that by saying that the venerable and highly esteemed Senator Reitz, who took part in a commando during the war of 1900, is to-day the most loyal supporter of the British crown. He is a Nationalist; his son, Colonel Denis Reitz fought against the British in the Boer war. He was a member of the Smuts administration, holding a position in the cabinet, and covered himself with glory during the Great war, and when in France he rose to the rank of colonel. He represented the South African party, and ex-President Reitz, who has had ten sons and one daughter, finds in his family that there are Nationalists, South Africans and members of the Labour party, and yet they live in the greatest harmony. Therefore I do not despair of the future of South Africa when I hear them say that South Africa may secede or break away. What I do say is that South Africa, just as much as Canada, should be left alone to work out her own destiny in the way she feels she is called upon to work it out; provided just as in the case of Canada, that if at any time the administration of her own affairs is going to interfere with the general working of the administration of the empire, it is time to call a halt. But when South Africa has decided to work out her own salvation along similar lines I think she should be left to do so.

[Mr. Chevrier.]

I think the policies that go with this development should be so conceived, so drafted, so expressed, as to continue to assure to each of the component parts, its entire freedom of activity within its own sphere; but at the same time to bind all of the component parts of the empire together under the continued protection of the British flag. There is a lesson that we can derive from this trip to South Africa, and I resent the assertion that the South Africans may secede from the British crown. I cannot conceive such a thing. When I find that the spirit of Cecil Rhodes is still alive in South Africa, that his monuments have not yet been weathered by time; when I find that one year ago Southern Rhodesia was celebrating the first anniversary of the introduction of responsible government into that colony, when the dying words of Botha are still ringing in the ears of the South African people, when they have the living expressions of Smuts and when they have after all Hertzog who is a remarkable man, I cannot conceive that South Africa is on the verge of breaking away from the empire.

I want to refer to a few words that the Acting Minister of Finance (Mr. Robb) gave expression to in his delivery of the budget, to lead me to another series of thoughts:

> We Canadians are in the process of becoming, in the not far distant future, a greater nation. We are in the growing period. We must practise economy, but must make such provision for the development of our country and of our transportation facilities as will be necessary to meet our growing needs.

Those words are laden with the expression of a great responsibility. I fully agree with the expression of them and for years I have believed in that way. But there may be a question as to just what stage of national development we have reached. Some are pleased to say that we have reached the stage of full-fledged nationhood; others say that we are a growing nation, and others say that we are not yet a nation. I believe that we are a growing nation and that we must, therefore, accept all the duties, obligations and responsibilities that come with that stage of national development at which we have arrived. For that purpose and in conformity with those wants, I am one of those who believes that no sacrifice of money, no sacrifice of expenditure, is too great in that respect. I believe the people of Canada will not shirk the spending of any money that is spent consistently with the keeping up of our national status. There are some who say that we have not yet reached the stage of a nation. I say that we have left the infancy stage; that we have outgrown the period of

youth and that we are advancing towards maturity of age. For that purpose, if one may speak in a lighter vein, Canada must now assume the dress, the garb that suits her age. In speaking of that, one might say that the proper dress for Canada should be one that would be in accord with the modern, present day custom of being long enough to cover the subject, but short enough to be interesting. We have been entertained royally in South Africa, and it would be most distasteful and out of the way for me in any way to endeavour to find out what this has cost South Africa. I mean that once you have been entertained by a host who has spared nothing to make you comfortable, you feel that at some later date you would like to do something in return, and it is rather difficult for one to sit down with a paper and pencil and figure out what it has cost your host to entertain you. I would not dare mention that, were it not for the fact that there seems to be in this House a certain sentiment that money has been lavishly spent and thrown about on a certain occasion, for example, when we sent our Canadian delegates to Wembley. I am quite at liberty to talk on this subject because it did not cost Canada a single cent for this South African trip. Therefore, when the estimates come around, I shall not have any pangs of conscience, feeling that somebody has to vote to pay those expenses. What has it cost South Africa? We were the guests of the South African branch of the Empire Parliamentary Association. Once we landed on the shores of South Africa, the South African government who own the railways there took us in, and for sixty-three days we had a special train at our disposal. I have no official figures; I did not ask for them; but after a simple computation amongst the members of the delegation, we have arrived at a very conservative figure, and we feel that it must have cost at least £1,400 sterling per delegate on that train alone. That would mean something like $240,000 for the train alone. Add on to that the expenses of entertainment and the expenses of the citizens themselves in the expenditure to which they were put while we were billeted with them, and then you will find that the whole of this trip must have cost at least $340,000 or $350,000. I would not take upon myself to extend to any one of my colleagues out there an invitation at some time to come to Canada, when I find that after having profitably invested $2,000,000 at Wembley, yet we shirk and begrudge $4,000 to send four delegates, members of parliament, to see the results achieved there, to get into closer contact with the empire and to discuss matters and come back and speak of what has taken place at Wembley.

The Wembley exhibition! I heard talk of the Wembley exhibition at Durban, Johannesburg and Cape Town by people who had been there. I heard of it in Paris and London, and the consensus of opinion all over was that Canada had achieved a wonderful success. Great credit is due and great credit over there is given to our Canadians who conceived the display of the material, the creation of these wonderful buildings and the disposition of the exhibits. There has been nothing but words of praise all through England, all through France, and I am sure the results to be derived from that exhibition will not take long to be felt. I believe it is a great pity that, in Canada, let us call it by its name, partisanship and bigotry play such a large part in our political life and reduce the level of a life which would otherwise be free from such meanness.

I understand there is a custom that on the day preceding that wonderful event of the Press Gallery dinner which always takes place on a Saturday night, the House should adjourn at ten o'clock. I have some remarks to make of a different nature from those I have made and if, as I understand, the intention is to adjourn at ten o'clock, I would move that the debate be adjourned.

Motion agreed to and debate adjourned.

On motion of Mr. Graham, the House adjourned at 10 p.m.

Monday, April 27, 1925

The House met at three o'clock.

COPYRIGHT ACT AMENDMENT

Mr. W. G. RAYMOND (Brantford) moved:

That the second report presented by the special committee appointed to consider and report upon Bill No. 2, to amend and make operative certain provisions of the Copyright Act, be concurred in.

He said: The sole provision of this report is that the committee might be allowed to sit while the House is in session. We have found it almost impossible to get a quorum otherwise.

Motion agreed to.

OPIUM AND NARCOTIC DRUG ACT, 1923, AMENDMENT

Hon. H. S. BELAND (Minister of Health) moved for leave to introduce Bill No. 46, to amend the Opium and Narcotic Drug Act, 1923.

He said: A number of amendments have been made necessary by the experience gained in the enforcement of the Opium and Narcotic Drug Act. An amendment is provided in the bill, in view of the fact that the courts have held that, under the law as it stands, a physician, who might have graduated in a foreign country, but who was never licensed to practise medicine in Canada, could legally sign a narcotic order. Another amendment provides authority to proceed by indictment against a physician who is a large trafficker. That was not provided for under the act as it stands. Another amendment authorizes procedure against a medical man who traffics in narcotic drugs under the pretence of practising medicine. There is also an amendment which provides for the confiscation of motor cars and other vehicles when used for the purpose of transporting narcotic drugs or any such purposes. There are other amendments of a minor nature which can be explained later.

Motion agreed to and bill read the first time.

PRIVATE BILL

FIRST READING

Bill No. 45, from the Senate, for the relief of Jessie Louise Cowan.—Mr. Duff.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BANKING AND COMMERCE COMMITTEE

Mr. COOTE:

What was the total amount paid to witnesses who appeared before the Select Standing Committee on Banking and Commerce during the session of 1923?

Hon. Mr. GRAHAM:

$1,543.35.

MILITARY STATISTICS

Mr. ROSS (Kingston):

1. How many officers, how many non-commissioned officers, and how many privates have been discharged from the permanent force of Canada owing to reduction of the force, during the years 1923 and 1924?

2. How many of each class above have been pensioned for the same reason?

3. How many of each class have been enlisted since the reduction?

4. How many new permanent men have been employed by the department during the years 1923, 1924 and 1925 in the cities of (a) Ottawa; (b) Kingston; (c) Toronto; (d) London?

Hon. Mr. MACDONALD (Pictou):

1. Officers, 34; Warrant Officers, 5; N.C. Officers, 29; Privates, 75.

2. Officers, 23; Warrant Officers, 2; N.C. Officers, 4; Privates, Nil.

3. Officers, 21*; Privates, 922**.

4. Ottawa, 76; Kingston, 287; Toronto, 195; London, 64.

* Includes 6 officers being paid by Department of Interior and 4 by the Canadian Air Force.

** (a) To replace soldiers who took their discharge at their own request, consequent upon the changes made in the Pension Act on 30th June, 1923, approximately.. 52

(b) To replace W.O's, N.C.O's and men who took their discharge owing to the reduction in the pay and allowances on the 1st August, 1924, approximately.. 470

(c) To replace discharges, deaths, and other casualties which average 15 to 25 monthly and which for two years amounts to approximately.. 400

Total.. 922

ALIEN LABOUR ACT

Mr. CHURCH:

1. Is the Alien Labour Act being applied to prevent the bringing in of aliens to do casual work in Canada during the summer months?

2. If not, why not?

Hon. Mr. MURDOCK:

1 and 2. The Alien Labour Act, Chapter 97 of the Revised Statutes of Canada, does not provide that it shall be administered by any department of the government. Section 5 of the act provides that, with the consent of the attorney-general of the province in which the prosecution is had or of a judge of a superior county court, fines provided by the act may be recovered on a summary conviction, and such proceedings may be taken by any person desiring the enforcement of the act.

CANADIAN COAL—MARKET EXTENSION

Mr. CHURCH:

1. How was the $200,000 voted in 1924 by parliament to bonus coal, expended and distributed?

2. What amount of said vote was spent to bonus: (a) Alberta coal; (b) Nova Scotia coal?

Hon. Mr. STEWART (Argenteuil):

1. The disbursements from the sum of $200,000 voted by parliament in 1924 to assist the extension of the market for Canadian coal (Vote No. 483) were made under regulations authorized by order in council of September 3, 1924 (P.C. 1537), a copy of which is subjoined. Under these regulations the disbursements were as follows:—

(a) Amounts paid Canadian Pacific Railway Co.	$ 657.63
(b) Amounts paid Canadian National Railways	10,393.44
Total expended..	$11,051.07

2. (a) Alberta coal—None.
(b) Nova Scotia coal—$11,051.07.

P.C. 1537

Certified copy of a minute of a meeting of the committee of the Privy Council, approved by the Deputy of His Excellency the Governor General on the 3rd September, 1924

The committee of the Privy Council have had before them a report, dated 2nd September, 1924, from the Minister of Mines, representing that parliament has voted a sum of $200,000 to provide

for assistance in transportation of Canadian coal to central Canada by payments to railway companies under regulations to be approved by the Governor in Council.

The minister recommends that he be authorized to direct the payment out of this sum for the purpose of assisting in the transportation of coal mined in eastern Canada and brought by vessel to Quebec, Montreal or other St. Lawrence ports, and thence transhipped by railways operated subject to the Railway Act of 1919 to stations in the provinces of Quebec and Ontario to which through rates are published and filed with the Board of Railway Commissioners for Canada, of one-fifth of a cent per ton per mile from the port of transhipment to destination from time to time in the case of each shipment thereof to the railway or railways transporting said coal.

The minister also recommends that he be authorized to direct the payment out of the said vote for the purposes of assisting in the transportation of bituminous coal mined in eastern Canada and transported wholly by rail on railways subject to the Railway Act of 1919 to stations in the provinces of Quebec and Ontario west of Riviere du Loup of one-fifth of a cent per ton per mile from the place of shipment to point of destination from time to time, in the case of each shipment thereof, to the railway or railways transporting said coal.

The total amount to be paid on a single shipment of coal under the above authorization shall not exceed the sum of fifty cents per net ton, nor are payments to be made on shipments of coal to points, where in the opinion of the Minister of Mines, Canadian coal is not in competition with American coal.

The minister also recommends that he be authorized to direct payments out of the said vote on coal used for domestic and industrial purposes but not for use on railway locomotives.

The minister further recommends that he be authorized to arrange with the railway companies for a reduction on the published rate in regard to the rates to be charged by said companies for the transportation of such coal with the view to enabling such coal to be supplied to the people of Canada at as low a rate per ton per mile as is possible, and that payments from the said vote may be made only in the event of such reduction being secured.

That if at any time the sum to be expended in subsidies under the above regulations on behalf of eastern Canadian coal would appear to amount to more than $150,000, he be authorized to discontinue such payments, and that all payments under the above authorization shall be made at the discretion of the Minister of Mines.

The committee concur in the foregoing recommendations and submit the same for approval.

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

The Honourable
The Minister of Mines.

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

Mr. WILSON:

1. How many private cars are in the possession of the Canadian National Railways for the use of officials?
2. How many of these have been secured in the past two and a half years?
3. How many were used to carry officers of the company to Portland on the occasion of the departure of Mr. C. J. Smith for England?
4. Who were the officers who used these cars for this purpose?
5. How many cars were on this same occasion sent around to Halifax, and for what purpose were they so sent?

Hon. Mr. GRAHAM: Questions Nos. 1 and 2 are perfectly legitimate inquiries. It strikes me if the hon. gentleman will give the matter further consideration, he will see that questions Nos. 3, 4 and 5 serve no public interest. If we have to get answers to all questions of this kind, dear knows where it will lead to.

Question stands.

TARIFF ON SUGAR

Mr. McTAGGART:

1. What was the general customs tariff rate on sugar on December 1, 1924?
2. What was the British preferential tariff rate on sugar on December 1, 1924?
3. Has any change been made in the British preferential rate on sugar since December 1, 1924?
4. If so, when was such change made and what was the nature of the change?

Hon. Mr. CARDIN:

Tariff Items		General tariff	British preferential tariff
134.	All sugar above number sixteen Dutch standard in colour, and all refined sugars of whatever kinds, grades or standards, not covered by tariff item No. 135, when not exceeding eighty-eight degrees of polarization per one hundred pounds..	$1.50	83 cents
	When exceeding eighty-eight degrees but not exceeding eighty-nine degrees, per one hundred pounds..	1.53	85 cents
	When exceeding eighty-nine degrees but not exceeding ninety degrees, per one hundred pounds..	1.55	87 cents
	When exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds..	1.58	89 cents
	When exceeding ninety-one degrees but not exceeding ninety-two degrees, per one hundred pounds..	1.62	91 cents
	When exceeding ninety-two degrees but not exceeding ninety-three degrees, per one hundred pounds..	1.65	93 cents
	When exceeding ninety-three degrees but not exceeding ninety-four degrees, per one hundred pounds..	1.68	95 cents
	When exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds..	1.70	97 cents
	When exceeding ninety-five degrees but not exceeding ninety-six degrees, per one hundred pounds..	1.74	99 cents
	When exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds..	1.77	$1.01

Tariff Items		General tariff	British preferential tariff
	When exceeding ninety-seven degrees but not exceeding ninety-eight degrees, per one hundred pounds..	1.80	1.03
	When exceeding ninety-eight degrees but not exceeding ninety-nine degrees, per one hundred pounds..	1.89	1.09
	When exceeding ninety-nine degrees, per one hundred pounds..	1.89	1.09
	Provided that refined sugar shall be entitled to entry under the British Preferential Tariff upon evidence satisfactory to the Minister of Customs and Excise, that such refined sugar has been manufactured wholly from raw sugar produced in the British Colonies and Possessions and not otherwise.		
	Provided further that sugar imported under this item shall not be subject to special duty in excess of three-fourths of one cent per pound.		
135.	Sugar above number sixteen Dutch standard in colour when imported by a recognized sugar refiner, for refining purposes only, under regulations by the Minister of Customs and Excise; and sugar, n.o.p., not above number sixteen Dutch standard in colour, sugar drainings or pumpings drained in transit, melado or concentrated melado, tank bottoms, sugar concrete, and molasses testing over fifty-six degrees and not exceeding seventy-six degrees, when not exceeding seventy-six degrees of polarization, per one hundred pounds..	81.08 cents	35.00 cents
	When exceeding seventy-six degrees but not exceeding seventy-seven degrees, per one hundred pounds..	83.116 cents	35.50 cents
	When exceeding seventy-seven degrees but not exceeding seventy-eight degrees, per one hundred pounds..	85.152 cents	36.00 cents
	When exceeding seventy-eight degrees but not exceeding seventy-nine degrees, per one hundred pounds..	87.188 cents	36.50 cents
	When exceeding seventy-nine degrees but not exceeding eighty degrees, per one hundred pounds..	89.224 cents	37.00 cents
	When exceeding eighty degrees but not exceeding eighty-one degrees, per one hundred pounds..	91.260 cents	37.50 cents
	When exceeding eighty-one degrees but not exceeding eighty-two degrees, per one hundred pounds..	93.296 cents	38.00 cents
	When exceeding eighty-two degrees but not exceeding eighty-three degrees, per one hundred pounds..	95.332 cents	38.50 cents
	When exceeding eighty-three degrees but not exceeding eighty-four degrees, per one hundred pounds..	97.560 cents	39.00 cents
	When exceeding eighty-four degrees but not exceeding eighty-five degrees, per one hundred pounds..	99.788 cents	39.50 cents
	When exceeding eighty-five degrees but not exceeding eighty-six degrees, per one hundred pounds..	$1.02016	40.00 cents
	When exceeding eighty-six degrees but not exceeding eighty-seven degrees, per one hundred pounds..	$1.04244	40.50 cents
	When exceeding eighty-seven degrees but not exceeding eighty-eight degrees, per one hundred pounds..	$1.06664	41.00 cents
	When exceeding eighty-eight degrees but not exceeding eighty-nine degrees, per one hundred pounds..	$1.09084	41.50 cents
	When exceeding eighty-nine degrees, but not exceeding ninety degrees, per one hundred pounds..	$1.11888	42.00 cents
	When exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds..	$1.14692	42.50 cents
	When exceeding ninety-one degrees but not exceeding ninety-two degrees, per one hundred pounds..	$1.17496	43.00 cents.
	When exceeding ninety-two degrees but not exceeding ninety-three degrees, per one hundred pounds..	$1.20300	43.50 cents
	When exceeding ninety-three degrees but not exceeding ninety-four degrees, per one hundred pounds..	$1.23104	44.00 cents
	When exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds..	$1.25908	44.50 cents
	When exceeding ninety-five degrees but not exceeding ninety-six degrees, per one hundred pounds..	$1.28712	45.00 cents
	When exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds..	$1.31516	45.50 cents
	When exceeding ninety-seven degrees but not exceeding ninety-eight degrees, per one hundred pounds..	$1.34320	46.00 cents
	Over ninety-eight degrees, per one hundred pounds..	$1.4250	46.50 cents

Provided that all raw sugar, including sugar specified in this item, the produce of any British Colony or possession, shall be entitled to entry under the British Preferential Tariff, when imported direct into Canada from any British country.

Provided that sugar imported under this item shall not be subject to special duty.

3 and 4. There has been no tariff change made on sugar since December 1st, 1924.

[Mr. Cardin.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

VANCOUVER GOVERNMENT PROPERTY

Hon. Mr. STEVENS:

1. What amount of insurance is carried on property in Vancouver: (a) In the name of the Dominion government; (b) In the name of Vancouver Harbour Commissioners; (c) In the name of the Board of Grain Commissioners?
2. What was the total premium paid on said insurance for each of the years during 1922, 1923, 1924?
3. To whom was the said insurance given and who were the agents of the companies with whom said insurance was placed?

Hon. Mr. COPP: I have the information that my hon. friend asks for and, as it is very lengthy, I would suggest that it be made an order for return and be laid on the table at once.

Mr. STEVENS: The only thing is that we do not get it printed in Hansard.

Mr. COPP: It will occupy several pages of Hansard.

Mr. STEVENS: A summary might have been made, but it will be quite all right to pass it as an order for return.

MILITARY STATISTICS

Mr. POWER:

1. Are any retired officers of the imperial forces now employed by the Department of National Defence?
2. If so, what are their names, rank or position?
3. What salaries do they receive from the Canadian government?
4. What pension do they receive from the Imperial government?
5. Have the pay and allowances of private soldiers in the permanent militia been decreased since the year 1922?
6. If so, to what extent?
7. Have the pay and allowances of non-commissioned officers in the permanent militia been decreased since the year 1922?
8. If so, to what extent?

CANADIAN NATIONAL RAILWAYS—MEDICAL ADVISERS

Mr. POULIOT:

1. What are the names of the doctors who were officially appointed as medical advisers to the employees of the Canadian National Railways, at Rivière du Loup, from 1900 to date?
2. From and to what date did each of them perform these duties?
3. On whose recommendation were each of them appointed?
4. Does such a post entitle the holder to a pass on the Canadian National Railways?

CIVIL SERVICE SUPERANNUATION

Mr. McQUARRIE:

1. How many civil servants are eligible to come under the provisions of the Civil Service Superannuation Act, 1924?
2. How many civil servants have made application to date to come under the provisions of the said Act?

Hon. Mr. ROBB: I have the answer to No. 2 of this question, but I submit to my hon. friend that I am not sure whether it is important that he should have the answer to No. 1. If it is, the question will have to be passed as an order for return as it involves considerable work and communications in different parts of the provinces.

Mr. McQUARRIE: I would like to have the answer if it can be given.

Mr. ROBB:

1. Passed as order for return.
2. The number who have elected to come under the provisions of the act and who have been accepted to date is 8,258.

ROUYN—NIPISSING CENTRAL EXTENSION

Mr. W. G. McQUARRIE (New Westminster) moved:

For a copy of all correspondence and other documents passing between the executive officers of the Canadian National Railways and the Temiskaming and Northern Ontario Railway Commission or any of its officers, and between the Canadian National Railways and the government of Canada or any of the ministers thereof, and between any of the above-mentioned and the government of the province of Quebec or any of the ministers or officials thereof, regarding the proposed extension of the Temiskaming and Northern Ontario Railway subsidiary (the Nipissing Central) into Rouyn.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): The other day I called attention to the fact that this motion, as it is put now, might be held to ask the Department of Railways and Canals of Canada to produce correspondence between the Quebec government and the Ontario government. Of course, we could not undertake to do that.

Mr. McQUARRIE: Certainly not.

Mr. GRAHAM: It reads that way.

Mr. McQUARRIE: It was not intended that way.

Mr. GRAHAM: I have no objection, with that understanding to an order passing, although there may be some correspondence between the railways and the government that might be confidential at the present time as I believe matters in question between them have not been settled.

Motion agreed to.

UNOPPOSED MOTIONS FOR PAPERS

ST. LAWRENCE WATERWAY SCHEME

Mr. ARCHAMBAULT:

For a copy of all correspondence, of whatever nature it may be, exchanged between the government of Canada and that of the United States or between

any official of said governments, either through the departments or commissioners from June 1, 1924, up to this present date, in connection with the St. Lawrence Waterway scheme, the diversion of the waters of lake Michigan for the Chicago drainage canal and the diversion of the waters of Niagara Falls.

ST. IGNACE POSTMASTER

Mr. DOUCET:

For a copy of all correspondence and other documents in connection with the appointment of the new postmaster at St. Ignace, electoral district of Kent, New Brunswick.

MR. ALBERT E. ROBICHAUD

Mr. DOUCET:

For a copy of all correspondence and other documents received by the Post Office Department relating to the dismissal of Albert E. Robichaud, as postmaster of Lamèque, Gloucester county, New Brunswick, together with a copy of the evidence taken at the inquiry, the report of the investigator and all correspondence relating to the appointment of the new postmaster.

FERGUS AND ELORA—PURCHASE OF TOWN HALLS

Mr. CHISHOLM:

For a copy of all correspondence and other papers and documents relating to the purchase or lease from the towns of Fergus and Elora, of their town halls, in the county of Wellington, during the year 1921, and of all accounts rendered, moneys paid or expended in connection with changes made in said buildings in said year.

CUSTOMS EXCISE OUTPORT AT DRUMHELLER

Mr. GARLAND (Bow River):

For a copy of all correspondence, letters, telegrams, and communications passed between the government, any member or official of the government, and any persons, concerning the establishment of Drumheller as a customs excise outport, and warehouse port, under the survey of the port of Calgary, Alberta.

AUSTRALIAN TREATY

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I desire to call the attention of the government to the despatch which appeared in the press of Friday from Melbourne, Australia, as follows:

Melbourne, Australia, April 23.—(Via Reuter's.)—Premier Stanley M. Bruce has replied to a cable from Premier Mackenzie King of Canada on the matter of re-opening the Canadian-Australian trade treaty negotiations, the Commonwealth premier declining to do so.

Premier Bruce, in his reply, says he regrets his inability to agree to Premier King's suggestion that the discussion on the proposed trade treaty should be re-opened. The Australian Premier says he is now awaiting the decision of the Canadian Parliament on the treaty.

May I ask if the despatch fairly represents the facts, and if it does, if the government is in a position to make a further statement as to its purpose?

[Mr. Archambault.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): I decline to make any statement based on newspaper reports. Certainly the despatch as read does not represent accurately the situation between Australia and Canada at the present time. The last communication I had from Premier Bruce made inquiry as to certain changes we were proposing to make in what was the original basis of our agreement. That telegram has not been replied to as yet, but it will be replied to very shortly. I may mention also that after Australia had made the changes in her treaty which she had agreed to make she also made certain changes with respect to the conditions under which goods would be admitted under the treaty, which conditions had not been discussed before. By order in council the Australian government adopted a condition that, Canadian goods might not be given the advantage of the changes made in the Australian tariff, unless—as I understand it—75 per cent, of the labour and materials were of British origin. That feature was never considered when the discussion relating to the changes in the tariff took place between the two governments, and until we get that phase of the question definitely understood we do not propose to ask this House to make any changes in our tariff, because it is a very material factor in the matter. I might say that the government has decided to have Mr. Ross, who was in Australia before, return to Australia to conduct further with the Australian government such negotiations as we may have with them, in the hope that we shall get matters so adjusted as to bring about a final arrangement that will be satisfactory to our government as well as to the Australian government.

Mr. MEIGHEN: I would gather from the Prime Minister's statement that there is no hope that the matter will reach a conclusion in time for confirmation this session.

Mr. MACKENZIE KING: I would not say that. I rather hope it will although I cannot say.

Mr. MEIGHEN: As I understand it, that 75 per cent merely applies to productions the raw material of which is not produced in Australia.

Mr. MACKENZIE KING: No, I think not.

Mr. MEIGHEN: And 25 per cent where the raw material is produced in Australia. At any rate the statement is correct that the 75 per cent just applies to goods competing with Australian goods. As a matter of fact,

will the Prime Minister or the Minister of Trade and Commerce say that with that restriction actual Canadian exports are really affected?

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: But to any appreciable extent?

Mr. ROBB: I think so.

LEASE OF RESERVE TO V. GRENON

On the Orders of the Day:

Mr. JAMES ARTHURS (Parry Sound): I call attention to the fact that the order for return passed on 16th March for correspondence, documents, and so on, regarding the leasing of certain property in the lower French Indian reserve to one V. Grenon has not been complied with. I think the papers are not very voluminous and I would like to have them brought down.

Mr. KING (Kootenay): I shall make inquiry.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE.

The House resumed from Friday, April 24, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. E. R. E. CHEVRIER (Ottawa): When the House rose on Friday, Mr. Speaker, I was about to ask the question: What are the benefits to be derived from the South African trip? Before I proceed with the few remarks which I have yet to make, may I refer to a news item which has appeared to-day in the local press. I find that delegates the world over are proceeding to Washington to attend the Quinquennial International Council of Women at Washington. I find that amongst those there are delegates from South Africa and also twelve Canadian delegates, amongst whom are two from Ottawa, Mrs. C. H. Thorburn, who is the vice-president of the National Council of Women, and Mrs. Smellie, who is the convener of National Public Health committee—Ottawa is fortunate in being so eminently represented. They are now proceeding to Washington to attend this conference. As one of those who was privileged to visit South Africa, may I be allowed to extend to the ladies representing South Africa our heartiest wishes of welcome? I hope they will return home with the same idea of our hospitality and generosity of entertainment as their people implanted in us.

What good may be derived from this trip to South Africa? Let me say that at no time during our stay there did our hosts ask us on our return to Canada to endeavour to benefit South Africa in any material way. The meeting was simply the result of their kind invitation to attend. I feel, however, that it is a duty, now that we have returned home, to endeavour to do something more than keep burning in our hearts the souvenir of that hospitality, and that the bonds connecting us with South Africa should be a little more concrete. If we look to the trade balance of South Africa we find it rather interesting, but we should not place too much reliance upon it as it stands because of the preponderance of their gold export, which of course, as anybody will understand, varies considerably from year to year according to the variations of the gold premium. In 1913 South Africa's imports amounted to £57,836,000 while her exports totalled £78,557,000. Of the export total £39,990,000 represented gold, £12,338,000 wool and £7,207,000 diamonds. Roughly, seven-eighths of their entire export trade is covered by these three items. In spite, however, of this variation, the trade balance of South Africa has been consistently favourable, amounting in 1923 to £20,721,000. Her trade balance reflects the demands due to her peculiar position, namely, her great mining industry, her lack of forests and consequently of merchantable timber, the progress of her agriculture, and the lack of metal working and textile industries. Her imports of cotton goods and food and drink items are followed closely in value by machinery, apparel, wood, wool products, motor vehicles, oil, iron, steel, hardware, woollens, and haberdashery. If South Africa is lacking in her imports in comparison with Canada, it will be in semi-manufactured goods, otherwise the buying power per capita of her white population seems to be about the same as that of Canada. In exports, besides the three principal products enumerated, important quantities of the following commodities are marketed abroad: coal, maize, mohair, dried fruit, wattle bark, wines, hides and skins, ostrich feathers, oranges, soft fruits and crayfish. As to ostrich feathers, I may say that a number of delegates brought back ostrich feathers which did not go to contribute in any marked degree to the monetary value of South Africa's exports; they were given freely and very gladly received. Linked, however, to Great Britain in almost every conceivable

fashion, it is not surprising to find that more than one-half of South Africa's total imports originate in the Motherland. For all practical purposes it may be assumed that this state of affairs will continue for many years. It may also be assumed that the foreshadowed continental competition will affect the United States and Canada rather than Great Britain. The United States, with roughly one-quarter the volume of trade of the United Kingdom, is her closest competitor, and she in turn has almost three times the volume of trade of her closest rivals, who in order are Germany, India, Canada and Australia. As the exports of India and Australia to the South African Union are more or less restricted to a few commodities, and as Germany caters to demands that Canada cannot meet, the potential value of this market to Canada can be gauged by our ability to compete with the United States for trade worth about $10,000,000 per annum. Forty-seven items in the South African customs tariff account for £7,509,000, or about 94 per cent of the United States exports to South Africa. Of these forty-seven items Canada is a competitor in thirty-six. Of these thirty-six items the United States at present provide a value of about £5,704,000, or about 81 per cent of the total trade. In other words, this represents a range of goods amounting to about £6,000,000 in which we compete at present on more or less even terms with the United States, and in the supply of which we might occupy an exceedingly advantageous position through tariff preference.

Now, in expressing the following view I represent my own personal opinion, and in no way do I want to bind anyone. I ask that those of the government within whose competency the foregoing remarks fall will consider them, and I hope that what I have said in this respect will help to establish somewhat more firmly and in a different way the bonds that unite us to South Africa. In 1913 Canada was sixth among the nations supplying South Africa. At that time our exports to her represented a value of £856,000 and we were preceded by the United Kingdom, Australia, India, Germany and the United States. Two years later—in spite of a very considerable increase by Sweden, Canada's chief competitor in wood products, about which my hon. friend the member for New Westminster (Mr. McQuarrie) spoke the other evening—she was fifth, having replaced Australia. Canada's trade with South Africa now amounts to £1,824,000. About seven-eighths of our business in South Africa is done in fourteen items, in the following order of importance: motor cars, wheat, paper, flour, lumber, rubber tires, ploughs and harrows, agricultural machinery, condensed milk, fencing, canned fish, confectionery, white lead, oatmeal, binder twine, and cement. There are about 225 Canadian manufacturers directly interested in this trade, and at least another fifty are represented indirectly through New York houses and English indent connections. Perhaps another twenty-five have no representatives, marketing outright. These manufacturers cover almost every class of commodity manufactured, produced or prepared in Canada, with the majority offering specialties of American type. Whilst I was in Cape Town it was my good fortune to spend most of two days with our trade commissioner there, Mr. Stevens. Of him I will say a little more later on. Whilst there I felt it was my duty as a Canadian to inquire into local conditions, for it is so very seldom that we are accorded the privilege of attending such distant parts of the empire where our trade commissioners do their best to promote this country's commercial interests. The South African tariff consists of six schedules, differing in degree and method of taxation. These schedules, their preferences and the grouping of the principal items of Canadian import, may be tabulated as follows:

Schedule	Method assessment	British preference	Principal Canadian entries under each
Class 1.....	Specific on weights and volumes.	Partly specific, partly 3 per cent ad valorem, partly omitted.	Cement, confectionery, wheat, flour, milk, wrapping paper, tires, fish, oatmeal.
Class 2.....	Mixed ad valorem and specific.	3 per cent ad valorem.	
Class 3.....	25 per cent ad valorem.	3 per cent ad valorem.	
Class 4.....	3 per cent ad valorem.	3 per cent ad valorem.	Agricultural machinery, ploughs, newsprint, fencing, lumber, twine, white lead.
Class 5.....	Free.	No preference.	
Class 6.....	20 per cent ad valorem.	3 per cent ad valorem.	

With reference to cement, I may say that at Slurry, near Pretoria, there is a very extensive plant where cement is being manufactured. I understand that our exports of cement to South Africa have decreased to the extent that we furnished about 500 barrels last year. South

Africa is now manufacturing a very fine quality of cement. We were privileged to visit that exploitation field and we found that the cement manufactured there is about 96 per cent pure. While we were on the Mozambique coast we noted that the graphite produced on the isle of Madagascar is supplanting the graphite we produce here. So it is that when we are brought in touch with these facts it becomes our duty to bring them before the Canadian people in an endeavour to apply a remedy, and if possible to attract some other line in order to make up for what we are losing in that particular direction.

It is therefore certain that the preference is a definite determining factor in Canada's favour in respect to the following commodities: condensed milk, wrapping paper, rubber tires, canned fish, oatmeal, fencing, and binder twine. These are commodities which ordinarily could be obtained by South Africa to equal advantage elsewhere. In respect to the remainder of these principal entries the preference is undoubtedly of great assistance. Among lesser commodities the preference is of undoubted value to Canadian exporters of the following goods: paints, hardware, iron and steel bars and pipe, tools and implements, woodenware and furniture, pumps and machinery, leather, chemicals, musical instruments, glass bottles, canned foods, knitted goods and brushware. These latter commodities I enumerate because they are general items which would benefit largely from an extended South African preference. None of these commodities is on the South African free list at the present time, and only four, namely, glass bottles, pipe, certain classes of machinery and leather are in class 4, on which 100 per cent preference is already given.

On the other hand, what is the value of the Canadian preference to South Africa? As I have stated, with gold and diamonds marketed under monopoly, wines explicitly excluded by Canada in granting preferential treatment, and wool, coal, mohair, wattle bark and maize on the Canadian free list, the value of a Canadian preference to South Africa is very seriously curtailed. The only commodities now dutiable in Canada which interest South Africa to any appreciable degree are dried fruits, fresh soft fruits, and to a very limited degree, sugar. As a matter of fact sugar may be more or less disregarded, because of the limited South African surplus for export and its high local manufacturing cost.

May I be permitted for just a few moments to deal with a few items that I think should be of interest from the point of view of the making of a bargain with South Africa looking to the promoting of trade with that country? Take oranges, for instance: the production in South Africa in 1923 was 1,009,000 boxes. The quality was comparable with that of the Canadian import. Canada used on an average about 1,000,000 cases and the source of supply for Canada was 95 per cent from the United States, most of the remainder from the British West Indies, and some from Spain. Could not some of that import be taken from South Africa? Of pears, the production in South Africa was 759,000 boxes, and the quality was comparable with that of the present Canadian import. Canada imported 17,800,000 pounds, and the source of supply was entirely the United States. In peaches the production in South Africa was 4,406,000 boxes and the quality was comparable with the best Canadian imports. The source of supply to Canada was entirely the United States. In 1923 Canada imported 13,406,000 pounds of peaches. Of plums South Africa produced 365,000 boxes, of a quality, however, not equalling that of the larger part of the Canadian import. Canada imported 140,000 bushels, entirely from the United States. Of grapes the production in South Africa was 150,000 tons, of a quality comparable with the Canadian import. Canada imported 5,103 tons, the source of supply being entirely the United States. Of maize, the South African export was 1,128,314,250 pounds, the quality being comparable with that of Canadian imports. Canada imported 9,227,416 bushels, the source of supply being the United States. I cite these figures in the hope that when the conditions permit something may be done with a view to having trade arrangements in these commodities entered into with South Africa.

Now, let me deal for a moment with the question of oranges. It is entirely a matter of transportation. The distance is not too great, and the quality and price are right. As to maize, any tariff concession on this commodity would be of extreme value. If all maize were subject to the 7½ cents per bushel to which maize for distillation is liable, and this were accorded to South Africa as a preference, the result ought to swing this valuable business from the United States to the Union. So far as fresh deciduous fruits are concerned, given the transportation, this business could be developed either with or without preference, as Canada is paying more for her winter fruit at present than South Africa realizes in her principal market.

In conclusion I would suggest some action to induce the Elder Dempster Steamship Company to return to Canadian ports, and the

establishment of a Canadian duty upon oranges and maize for the purpose of offering South Africa a substantial preference. A preference upon dried fruits comparable to the present advantages accorded to Australian dried fruits might also be advisable.

As I said a moment ago, while at Cape Town I spent some time in the office of our trade commissioner, Mr. Stevens. Mr. Stevens was preceded in that office by a very distinguished gentleman who is held in high esteem throughout South Africa and whose name I heard at Cape Town, at Durban and as far north as Salisbury; I refer to Mr. Egan, now Deputy Minister of Immigration. But Mr. Stevens is somewhat handicapped in the handling of the office down there. Mr. Stevens has not said anything of the kind to me, but so far as my observations have led me to conclude, I think he should be allowed a little more latitude, and particularly a little more in the matter of pecuniary assistance. I would have been delighted to have had the advantage of Mr. Stevens' knowledge throughout this trip in South Africa, and particularly if he had been allowed to accompany us through the peninsula. I think it is only fair, if we want to have our trade with South Africa or other distant parts of the empire develop, that when these questions come up we should not be too niggardly in the matter of the expenses that go with the administration of those offices. It is always exceedingly difficult to appreciate the difficulties that exist down there. For instance, to travel between Cape Town and Johannesburg or Pretoria, where the administration offices are, does not seem to us to be any distance at all, but it entails a considerable amount of expense and also a considerable amount of time.

Passing along, after leaving Cape Town, we returned to England about the 18th of November. It was my good fortune to spend a few weeks in London, and my greater good fortune to meet quite a number of times our distinguished representative there, Hon. Mr. Larkin, and I desire to assure everyone that our interests are very ably looked after over there by Hon. Mr. Larkin and his most efficient staff. I referred the other evening to Canada's status in the empire and to the talk of appointing an ambassador to Washington. I am one of those who believes that it is time, and high time, to appoint an ambassador to Washington. I believe that is only consistent with Canada's dignity and importance, and I want it clearly understood that if I advocate the appointment of an ambassador to the United States, that does not in any way derogate from my fidelity and loyalty to the British Crown; but I feel that we have reached that stage of national development where we can have our own representatives in the other portions of the world. We talk of appointing an ambassador to Washington, and yet we have in London but a high commissioner, and in Paris an agent. To my mind, there is an absolute inconsistency between these three terms. These two officers in London and Paris respectively are held by two Canadians of the highest distinction, who fill those positions in a way that reflects the greatest credit upon Canada, and it is with a feeling of pride that one hears their praise repeated by all those whose good fortune it has been to come in contact with them. But the same thing cannot be said of the premises wherein they do the best they can for the national development of Canada and for her reputation abroad. It was my good fortune also to be invited to Australia House, when the Attorney General for Australia, Sir Lyttleton Groom, was in England on his way back to Canada and Australia, and really I was ashamed of myself and of the way Canada is looking after its representatives abroad when I compared Kinnaird House or the Agency in Paris with Australia House or the South African quarters. Australia House is within a stone's throw of Kinnaird House, and has the most luxurious, sumptuous reception halls. It is a building all by itself, where one feels at home, and where the products of Australia are exhibited in a way that is quite as commendable as the exhibits one sees in Windsor station, Montreal, or in other places where the Canadian Pacific or the Canadian National show the products of this country. I was really surprised, and after having been received with the kindness and hospitality and warmth of sentiment that marked our reception at Australia House there was but one consolation, and it was that if our premises at Kinnaird House are so cheap, so poor, so out of keeping with Canada's status, at all events the warmth and cordiality of our reception by Mr. Larkin, both in our own building and later at his own house, not only was on a par but it did go much deeper to my heart than the reception we received at the other buildings.

That brings me to say a word with reference to the changing of our Canadian quarters in London. Something has been said with reference to the purchase of the Union club. Now I do resent and feel very deeply the remarks that are made by some hon. gentlemen

who whether they know whereof they speak, or, I will not say know not, but who speak without a full knowledge of the facts, in reference to the location of our quarters in London. I have visited the Union club building; I have seen what improvements are being made, and I am perfectly well satisfied, both as a member of this House and as a citizen of Canada, that what has been done has been done in the most commendable way, and that no expenditure has been made which should not have been made, and that it is a building consistent with the standing of Canada. I do resent the statement which was made that this building is situated in a blind alley. Statements like that should not be made. People who have visited London and are well aware of the layout of the city know that this club is not situated in a blind alley, but in Trafalgar Square, on the corner of Cockspur street, with the National Art Gallery at the back, and leading up to the Strand and Australia House. I was so impressed with what was being done while I was there that I made certain notes of my own, and asked for certain information which I will give to the House now. I have put this down in writing so that there will be no misunderstanding as to the exact location, if any hon. gentleman wants to locate it afterwards.

The building is situated on the west side of Trafalgar Square and the frontage—120 feet—on the Square occupies practically the entire west side. The second frontage—72 feet—and chief entrance surmounted by an imposing pediment, will be on Cockspur street, which is the main thoroughfare of traffic from the city to the West End. The south side of Trafalgar Square is enclosed by Cockspur street. The corner formed and occupied by the Canadian building is probably the principal site in the heart of the West End of London. If any gentleman says that this is located in a blind alley, he is the one who is blind. The National Art Gallery faces Trafalgar Square from the north and occupies the whole of that side. The South African government building faces the east side of the square and the Canadian Pacific Railway building from the south, which position was secured by that company many years ago.

In addition to these, the following buildings or office premises are located within a stone's throw of the Union club:

The Sun Life Insurance Company
Canadian Pacific Railway offices
Royal Mail Steam Packet Company's offices
Cunard Steamship Company, Limited
H. M. Government of Norway
International Sleeping Car Company
Canadian National Railway
Peninsular and Oriental Steam Navigation Company
Orient Steam Navigation Company, Limited
Thomas Cook & Sons
Brown Bros. & Company, International Bankers
The White Star Steamship Company and subsidiaries
Credit Lyonnais
The Carlton Hotel

On Northumberland avenue and the Strand, immediately opposite, are:

The Grand Hotel
Victoria Hotel
Metropole Hotel
Charing Cross Railway Station

Then within five hundred yards of this corner are:

Colonial Office
War Office
The Admiralty
The Privy Council
Foreign Office
Home Office
India Office
Scottish Office
Treasury
Ministry of Agriculture
Board of Trade
Ministry of Labour
Ministry of Health
Office of Woods and Forests

Then as to the accommodation we find there: At present the High Commissioner's office in Kinnaird house has 5,238 square feet; the emigration office on Regent street has 5,549 square feet; the pension office, on Oxford street, has 1,800 square feet; and the Trade Commissioner's office, on Basinghall street, 700 square feet. The four offices, absolutely unconnected one with the other, are on four different premises containing 13,287 square feet. The idea is to bring them under the same roof, and the new building will provide 26,971 square feet, which will give a surplus available for extension of about 3,700 square feet. I will not give the House the history of the acquisition of these properties, I will reserve that for another occasion; but the consensus of opinion in England, on the part of people who are not financially interested in this question at all, is that the bargain is a good one. My own impression is that it was a good bargain and that we should have no fear or apprehension or doubt about it. Personally I am prepared to say, after having seen the property, after having looked it over, after having heard what it cost, and after having heard what the rentals are in proportion to the other buildings in the neighbourhood, that it was a good bargain.

It was also my privilege to spend a few weeks in France, and there I met Hon. Mr. Roy—not our ambassador, not even our high commissioner, but the agent of Canada. Not-

withstanding his unimpressive title Mr. Roy is a man well qualified to shed lustre on the title of ambassador in France, just as Mr. Larkin reflects credit upon his office in England. But the status of Canada's representative in France is simply that of agent. There also I found that somewhat the same conditions prevailed as in London. I have no hesitation in saying that the offices of Canada's representative on the Boulevard des Capucines are far from being in keeping with the dignity which Canada should maintain on French soil. I make this statement—and I make it without any fear of contradiction by any hon. gentleman who has been in France—that the room of Hon. Mr. Roy is far below the character of the quarters provided for a number of officers of this House; and that the room of many members of this parliament is far better equipped than the room of our agent in Paris. When one enters this long room one sees an old time-worn table in the centre and time-worn chairs along the sides, newspapers strewn around, and foreign newspapers hanging on the walls. Fifteen people can hardly sit at ease in that room; and I should like to ask the Minister of Finance (Mr. Fielding) how he

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felt when he was seated there studying the wonderful French language at the time of the negotiation of the French treaty? Would he not have preferred to have better quarters where he could have mixed with some degree of comfort with the distinguished French people whom he saw? Would he not have preferred to meet those people in a very much better place than where he did meet them? It certainly would have been far more in consonance with Canada's dignity.

In conclusion, I rejoice in the statement that has been made by the Acting Minister of Finance as to our present financial position. I feel that the statement will be well received by the people of Canada; and I sincerely trust that in the administration of the affairs of this country no false economy will be practised, but that the high standard of national development at which Canada has arrived, coupled with proper economy, will not be marred or hampered by the fear or the refusal to spend adequately—and I repeat the word "adequately"—in that connection. Ours is a vast heritage; it has been worth living for, it has been worth dying for. I have no other desire and no other ambition than to see Canada continue her national development, guided in her own way but remaining forever a component part of the greatest Commonwealth of nations.

[Mr. Chevrier.]

Mr. ANDREW KNOX (Prince Albert): Mr. Speaker, it is not my intention to speak at any great length in this debate which has been moving along rather slowly. I find that I am the eighty-eighth speaker since the debate started, and the twentieth speaker from the group of which I am a member. In looking over the columns of Hansard I observe that although there are a number of speeches that occupied almost three hours, the speakers from this group have not averaged more than half an hour each, and I do not intend to exceed that time.

In regard to the budget I must say that the proposals contained in it are not of such a character as to develop any enthusiasm on my part, and therefore in my brief remarks I shall deal with the budget from a critical standpoint. We were led to believe on a former occasion that the reductions then put into force were but the fore-runner of others to follow; but I am afraid the fore-runner must have, in some way, lost its connection with the main body. The budget has been dealt with from so many different angles that it is rather difficult to approach its consideration from any new point of view, consequently my remarks will be general in their character. While I criticize the government for its action—or possibly I should say inaction—I also wish to say that the high tariff policy of the Conservative party will find no foothold today in the prairie provinces, but—

Mr. MEIGHEN: You have not been there lately.

Mr. KNOX: I have just returned from there. But permit me to say that a party like the Liberal party which has made no further advance, during the four years in which it has held office, to carry into effect its platform and published policy, will certainly not be received with open arms by the thinking portion of the electorate, especially in that part of Canada lying west of the Great Lakes, and I wish to say that the people of Canada to whom that remark applies are now extremely alert. The haphazard easy going individual who believes everything he hears and tells everything he believes is now a back number. The thinking element have now commenced to see that in times past they have been made use of for the benefit of other people; they are beginning to see that owing to the immense production, on a per capita basis, of the value of the products of their farms, particularly in the case of the western farms, and from the fact that they are compelled to sell their products in competition with the world in the world's markets while at the same time forced

to purchase what they need for their own requirements in the restricted, protected, high priced home market, the time has come for a change. The conditions through which they have been passing are such as to compel all those men and women who have suffered from those conditions to do a lot of thinking. The result is that a great number are convinced that neither of the two old political parties is much interested in trying to help the farming community nor the communities which are entirely dependent upon the success of agriculture. Accordingly I am convinced of this, that in the west—in the prairie provinces at least—neither the policy of the Conservative party nor the policy of the Liberal party—judged by their actions during the last few years—will make any appeal to the thinking masses; and the man who is bold enough out there to argue that benefit is to be derived by the farming community from supporting either of those parties is likely to be only "a voice crying in the wilderness."

I have been impressed with the similarity of the position of the Maritime provinces, and the conditions there, to those of the western provinces. They too are more or less isolated and hampered in regard to traffic restrictions. They too are handicapped by a long, expensive rail haul, and they too are striving to develop their ocean ports without the sympathy and assistance which should be given them by centralized interests. It is quite plain that the Maritimes are also beginning to see that party politics is not getting them anywhere. I have been greatly interested in the addresses which have been delivered by Maritime men during this debate, particularly one by the hon. member for Kings, P.E.I. (Mr. Hughes). These addresses clearly show dissatisfaction with existing political and economic conditions, and the editor of Maritime Rights, a paper published in Halifax, in last Saturday's issue has the following to say in an editorial:

> It has very often been said there is more party politics to the square inch in the Maritimes than in any other part of the world. It looks like it. What has it got us? Are we the most prosperous provinces in the Dominion? We all know the reverse is the fact.
>
> Cut out the party stuff. No matter what side. Put on your war paint and go out after the things that will make these provinces prosperous and you will succeed. We have the country; we have the resources; we have the men; we have the money too; and what we do not have we can get. There is nothing wrong with the Maritimes. The trouble is with Us the People. Forget party and there will be a flow of life blood through your veins that will surprise you. Just look round and see the mess things are in generally and ask yourself who are to blame. The answer will be as plain as the nose on your face: you.

After reading this and knowing that no part of the Dominion has stuck to party politics so faithfully or long and without results as the Maritimes, I am convinced that the psychology of the movement at present in those provinces is precisely the same as it is in the west and in many parts of Ontario, although, perhaps, not quite so far advanced. I am also convinced that in their hearts these Maritime men are not satisfied with the present party system. Consequently, I have no hesitation in giving to them the old Macedonian invitation to "come over and help us," or I might put it in more up-to-date language by saying: "Come on in, the water is fine."

I would ask your indulgence, Mr. Speaker, for a few moments while I revert to some matters which are more or less parochial, but which, while they may not at the present time be closely connected with the budget, may some day have a very direct bearing on the finances of the country. I would refer first to the necessity for a survey of the great hinterland in northern Saskatchewan lying around the south of lake La Ronge. I might point out that lake La Ronge is a lake of considerable size. I think it might possibly cover some 400 square miles. It is surrounded by a rocky formation. This rocky formation is a continuation of the Laurentian range starting in Quebec, running through northern Ontario, northern Manitoba and on into Saskatchewan. Prior to the present time, owing to its inaccessibility, this portion of the Laurentian range lying in Saskatchewan has been very little explored. Now, there is a wagon road constructed by the provincial government from Prince Albert to Montreal lake, a distance of sixty miles, and from there to lake La Ronge there is good water connection, in fact right into the Churchill river and on into the north. My point is that I would like that some attention be given to this matter in the shape of a survey of the shores of the lake, also that this be followed by an aeroplane survey such as has been undertaken in some other parts of the north country, so that prospectors going in there will have something to work upon. This part of the Laurentian range contains the same minerals, such as gold and copper, that have been found in other parts of it. But it contains another mineral that has not been discovered in any portion of the Laurentian range to the east, and that is coal. In proof of that I would read a couple of extracts from speeches delivered by Hon. Chas. A. Dunning, Premier of Saskatchewan, in the legislature there. The

first was delivered on the 23rd November, 1920, and will be found in the Sessional Papers of that year at pages 40 and 41. He says:

I should refer at this point to the preliminary northern exploration which was made in the past summer. Some publicity was given to the matter. It was the intention of the government to make arrangements to either confirm or disprove the rumours which had been persistent for many years, circulated by Indians, trappers, Hudson bay men, missionaries and so on that coal existed in the neighbourhood of lac la Ronge. Arrangements were made for an exploration party to go into that district and to verify the existence of coal and also to bring back samples.

I have stated the tremendous economic importance of the presence of good coal in that portion of the north. The presence of good coal in that portion of the north would mean tremendous development. In addition to investigating coal the exploration party made a reconnaissance survey of a considerable area of the north-eastern portion of the province, the trip embracing all told over one thousand miles north and north-east of Prince Albert.

Naturally the party could not, in covering such a large amount of territory, do a great deal of detailed prospecting. That class of work must still be done by the prospector who is prepared to wander off with his pack on his back and his pick and shovel and take chances on what he may find. No government organization has ever arranged to take the place of the prospector in the search for precious metals.

I have the major part of the report of this party at the present time. Lieutenant-Colonel Garner was in charge of the party and I have his diary which makes interesting reading and gives a good deal of information as to what is to be found in that section of the north. The reports from the geologist and mines expert of the province representing coal I have not yet received but as regards coal I can say that it is there. It is a kind of coal similar in character to the coal which is found in the south and therefore a low grade lignite coal. As to whether it will be possible to create out of it a commercial commodity in the future it is difficult to say but while I do not want to be too optimistic, the situation of the coal, the nature of its overlay and the nature of the material underlying it is such as to lead to the hope that somewhere in the vicinity of this seam there may be coal of a considerable better quality. In the bottoms of some of the streams drift coal is present also.

* * * *

I have in my possession a sample of sand brought back by the party from a large deposit of pure white sand. It shows on analysis 99 per cent pure silica which means an excellent glass sand. The deposit is 150 miles north of Prince Albert but it is a valuable resource. The only other raw materials needed for the manufacture of practically all grades of glass are sulphate of soda of high purity and some lime. Sulphate of soda and fuel are available in large quantities in our province and there seems to be the opportunity in the future for the establishment of a glass industry.

The second extract from Mr. Dunning's speeches is under date of January 24, 1922, also dealing with the same matter. Mr. Dunning says:

This summer the government picked out what appeared to be the most logical place for intensive survey work and the party was asked to devote its attention to that particular area, the Wapawekka lake and Bear hills, immediately south of Lac La Ronge. I do not think the country covered had been explored previously. Travel in the north is largely restricted to water ways and in portions of the country covered by the party this summer they are satisfied that even the Indians did not know the country intimately.

The party did not find any great coal deposits or oil. The thing I would most like to find in our north land is coal, rather than gold or copper. The best guarantee of immediate development of the north, from the railway and agricultural point of view, would be the discovery of good coal beyond the present range of settlement. It would mean immediate railway development. The discovery of coal of good average quality, for smelting for instance, would mean a tremendous industrial development because of the copper deposits on the boundary between Manitoba and Saskatchewan which are handicapped by reasons of the fact that their ore must be shipped to Trail in British Columbia for smelting. The discovery of a coal suitable for smelting purposes in the north would mean industrial development similar to that which took place in northern Ontario under similar or even more difficult conditions than in Saskatchewan. I had been hoping that the result of the trip of the party would result in the discovery of good coal. A year ago the party confirmed reports of coal, which had been made prior to settlement in this country, by Indians, prospectors and travellers. It is true that coal is there.

I should like to read a brief extract from the report of Mr. J. B. Tyrrell, in the Geological Survey report of 1892. Mr. Tyrrell is a noted explorer and geologist. It is in reference to an examination he made of a deposit of drift coal on the banks of the Saskatchewan river 7 miles east of Prince Albert, at a place called Red Cliff. In connection with that examination he says:

This sand is composed of grains of quartz in layers, interbedded with layers of fragments of black lignite, the latter occasionally in well rounded pebbles an inch or more in diameter. There is a great quantity of this lignite, the bed of sand, whose thickness could not then be determined, being often composed largely of it.

These rounded grains and pebbles of lignite have clearly been washed some distance by the water, and deposited alternately with the heavier quartz grains as the current varied in strength, but the quantity present would seem to be too great to permit of its having been washed from any of the known coal seams on the river, the lowest of which is near the mouth of Egg Creek, 400 miles higher up the stream. It is much more likely that these fragments of lignite have been washed from a deposit, not at any great distance, which is now covered.

In order to determine whether such a deposit of coal exists in the vicinity or not, also whether the Dakota sandstone is here tar-bearing or not, as well as to ascertain the exact nature of the cretaceous section in this district, where the surface appears to be almost everywhere covered with drift, it would be of the greatest service to make a boring down to the underlying Palaeozoic rocks. If either coal or oil were met with the value of the country would be enhanced to many times the cost of the boring.

My point is that it would be a great advantage to this northern country if a survey such as I have suggested were made, so that prospectors going in there could secure maps of the country and know where they were going, and I would urge that this survey be included in the programme for this year We

have the engineers already in the employ of the department, and we have the aeroplanes already doing this class of work, so that I am not asking for any further expenditure.

Another point to which I would refer is in connection with the soldier land settlement; and I might say that I have always had and still have some hope for this scheme working out to the advantage of the soldier settlers, but there is no question in my mind that a readjustment in value, such as was suggested by the special parliamentary committee last year, will have to be brought about, and there is no excuse for leaving this in abeyance any longer if the confidence of the men is to be retained. A short time ago there was some mention of closing the soldier settlement office at Prince Albert and transferring the work and supervision to one of the other two offices in the province, in spite of the fact that the Prince Albert district has more men under the board than either of the other two. It may not have as much money lent out, but following out the spirit under which the act was first introduced, the welfare of the men, and not the money, should be the first consideration.

I also find that the Prince Albert office controls more acreage under the act than either of the other two offices in the province, the total being 756,410 acres for Prince Albert or 226,005 more than Saskatoon and 88,923 more than Regina. In regard to acreage, Prince Albert is fourth largest in the Dominion, in which we have altogether thirteen districts.

As regards the number of men settled under the act, Prince Albert has 3,145 or 579 men more than Saskatoon and 201 more than Regina. In this respect it is again fourth in the Dominion. As to the number of total repaid loans, Prince Albert heads the list with a good lead as far as the province of Saskatchewan is concerned. It might be interesting to know in what portions of the Dominion the soldier settlers under the act are showing up to best advantage. This is easily discovered by looking up the adjustment or salvage cases which may be looked upon as the failures. In this respect the Prince Albert district has a much smaller percentage of failures than any of the other twelve districts in the Dominion.

I might say I am not surprised at this, because I have farmed in this district myself for the last thirty-five years, and I do not hesitate to say that last year was the only year that could be called a real set-back in all that period. I have figured out here the percentage of failures in the thirteen different districts. They are not given in percentages in the report of the Soldier Settlement board, but I think these are perfectly reliable. I find that the percentages of failures or of salvage cases at Prince Albert was 11.7. I am giving these in their order of merit, starting with the lowest number of failures and working up. The next in order of merit is Prince Edward Island, 17.11. Saskatoon follows very closely with 17.14 and Vernon, British Columbia with 18.21. The percentages are as follows:

Office	Percentage
Prince Albert	11.7
Prince Edward Island	17.11
Saskatoon	17.14
Vernon, B.C.	18.21
Ontario	18.22
Regina	18.9
Calgary	19.3
Nova Scotia	19.4
Vancouver	20.6
Edmonton	24.2
New Brunswick	25.9
Manitoba	30.04
Quebec	38.6
Dominion total	21.5

Comparatively speaking, Mr. Speaker, I should like to say that the Prince Albert district has been well handled, and I sincerely hope we will hear no more about closing the office while the men require it.

Mr. ROBB: Just for information, is the percentage based on the whole, or on the number within the area?

Mr. KNOX: In the different districts. I was giving the percentage for that district, with Prince Albert as I said very much lower than any district in the Dominion, being 11.7, while the next was 17.11. This is largely based on local conditions.

There is one other matter which I propose to touch on very briefly—I refer to the conversion of the hon. Minister of Agriculture (Mr. Motherwell) in favour of the Hudson Bay railway. During the many discussions, Mr. Speaker, in which I have taken part in regard to the completion of the Hudson Bay railway, I have often wondered why the hon. minister could not see his way to give us his influential support. But the mists were cleared away a few days ago when, in the course of that memorable three-hour speech of his, he informed us that after his trip up the line as far as Kettle rapids—which by the way is still ninety-two miles from the bay—he was an out-and-out believer in the scheme, and that Hudson bay was the logical outlet and inlet for the prairie provinces. Up to this point he gave us encouragement. Then he showed the real

thought in his mind by informing the House that the engineers, navigators and other qualified officials who had investigated the comparative merits of Port Nelson and Fort Churchill had made a grave mistake by selecting the wrong port and spending over $5,000,000 there, and that a truce should be called for another indefinite period while further investigations might be undertaken to determine which should be the tidewater terminus. I am sure the House will agree with me when I say that it is most regrettable that the hon minister did not visit Kettle rapids years ago. But why did he not continue on to the bay? He could not learn anything about the suitability or otherwise of the present terminus while he remained at Kettle rapids, because he was still ninety-two miles from tidewater. We are almost forced to the conclusion that he had his line of action already decided upon before he started for Kettle rapids. Such a statement coming at the present time to me looks somewhat fishy, too much of the red herring variety —a further excuse for further delay. I hope, Mr. Speaker, to have an opportunity of speaking further on this matter in the near future.

Mr. W. D. EULER (North Waterloo): Mr. Speaker, I do not propose to answer the observations of my hon. friend who has just completed an excellent address, further than to say, if I may do so without offending my good friends across the way, that I hope some day his grandson will come to this House and still have an opportunity of advocating the completion of the Hudson Bay railway.

My only excuse, Sir, for entering the debate, which has already been excessively prolonged, is my desire to press upon the government consideration of a suggestion which, in my humble opinion, is of vital importance to Canada. It has to do with the National railways, and while I realize that the time for debate on the railway probably would be more opportune when the estimates are under consideration, yet certain observations have been made from this side of the House with regard to the disposition of the Canadian National system that I feel should not go unchallenged. I desire also to discuss very briefly a few other matters which come more properly within this debate. At the outset let me say that I am not a pessimist regarding the future of Canada, and I have no sympathy with those who, perhaps unwittingly, by their observations in this House are doing something to destroy the reputation and the credit of Canada abroad; and, what is infinitely worse in my opinion, are destroying the confidence of Canadians in their own country. Our debt, Sir, is enormous, our annual obligations of some $340,000,000 by way of taxation constitute a very heavy burden; but it would be folly for members on this side, and almost treason on the part of members of any party, to exaggerate unduly the gravity of our financial situation; nor would it be wisdom to deny that it is grave. I propose to do neither, but to the best of my ability to make some reasonable suggestions as to what the government can do to remedy the situation.

I congratulate the Acting Minister of Finance (Mr. Robb) upon his presentation of the budget. I do not do so in the ordinary stereotyped manner that is sometimes expected of a supporter of the government. The budget gives some reason for satisfaction. In the face of falling revenues it comes as a surprise and a gratification to the people to know that instead of being confronted with a heavy deficit we have a small surplus. True, our friends diagonally opposite, and perhaps some of our friends directly opposite, have figured that with the capital expenditures on our National railways we have a very heavy deficit. But my position with respect to that has already been made quite clear, and I am not going to take time by discussing it now. In congratulating the government on the budget, I do not mean to say that I agree with all that has been done or that has not been done—for there are in my opinion some errors of omission. I should have liked to see the entire abolition of what are sometimes called the nuisance taxes. From the very first day when the stamp taxes were introduced by the former government I was opposed to this form of taxation. I believe they are properly named nuisance taxes. If taxes were ever devised to annoy the public, you could hardly conceive of anything to better fulfil that purpose than the imposition of stamp taxes. The tax on receipts comes in the same category. In my opinion that form of taxation is absolutely illogical and has only the one recommendation—that it produces the revenue.

Mr. MARLER: Which tax?

Mr. EULER: The taxes on cheques, receipts and commercial paper generally. I should also like to have seen a reduction in postage rates, and I believe that a return to the prewar figure would not have resulted in loss of revenue. In that connection I should like to quote from the Canadian Milling and Grain Journal the following article:

To stimulate business

Following the change of government in Great Britain, the Manchester Guardian Commercial, circularized fourteen of the leading business men of

that city, asking each to suggest how best the new Baldwin administration could stimulate trade. The replies indicated that while many of the writers had strong and original views on the subject, there was a measure of agreement among them, which should not be without interest in Canada. Seven out of the fourteen declared that if the government would remove the taxes on cheques and receipts and reduce postage rates to pre-war level, then business all over the kingdom would receive a great impetus. There may be a suggestion somewhere here for Ottawa.

I would draw attention also to one or two weaknesses, as I see them, in the present sales tax. A wholesaler or a manufacturer, under the Sales Tax Act, is made the collector of the tax. He puts the amount of the tax on the invoices which he sends out to his customers, and makes his monthly remittances—I think they are monthly—to the government. In many cases he has not yet collected the tax from his customer when he forwards the account to the government at Ottawa. It has occurred quite frequently, and I know some cases in point, where manufacturers have sold large quantities of goods to retailers in other provinces, paying the tax to the government, and later these retailers failed in business and did not pay either the principal amount of the invoices nor the tax. Yet the government holds the manufacturer responsible for the payment of that tax. He is in the unfortunate position not only of losing his principal, his capital, but of paying the tax when he was not really intended to pay it. In cases of that kind, it seems to me that if the manufacturer has not been reimbursed he should receive a refund or rebate of the amount paid in respect of that tax.

There is one other weakness in the law, to which I would like to refer. It is a discrimination which I consider unjust—and I should not like the members of the House to think I have any personal interest in the matter at all. It refers to the printing business. We have on the statute book a law which exempts from the operation of sales tax all printers who do a business of less than $10,000 a year. A man who has a business, we will say, of $9,990, escapes paying the sales tax, while the man who does a business of $10,010 is subject to the payment of the tax. It seems to me that is a gross injustice and should not be continued. I see no justification whatever for it.

Mr. GOULD: Would the hon. member accept it as an axiom that the people object to taxation according to their understanding of the tax?

Mr. EULER: I am not sure that I get the meaning of the hon. gentleman's question.

Mr. GOULD: The objections of the people to taxation are greater according to their understanding of the tax in question. That is, they can see more distinctly through the principle of direct taxation than the principle of indirect taxation.

Mr. EULER: I am dealing entirely with direct taxation in this particular instance. I see no reason why one man who does a little smaller business than another should be excused from the payment of a particular tax while the man with the slightly larger business has to pay it. There is no reason why anybody should be exempt from sales tax, in the same line of business at least.

Mr. GOULD: My idea was that a person studying the principle of taxation will more readily understand the principle of direct than the principle of indirect taxation and will consequently object to the latter more quickly.

Mr. HUGHES: With reference to the sales tax on the printing business, what change, if any, does the hon. member suggest?

Mr. EULER: I think that is very obvious: I should say they should all be taxed. I would like to make reference to some of the remarks made by hon. gentlemen "angularly opposite," as they have been described. The hon. member for Fort William and Rainy River (Mr. Manion), who, I am sorry to observe, is not in his seat, made a very excellent speech some weeks ago. If I had any criticism to make of what he said—and of course I have no authority to lecture anyone—I would say that the severity of his language did not add anything to the strength of his argument. I think also he was a little careless with his figures, but I am not going to go into that just now. His speech was interesting. I was rather surprised that he should quote in support of his contentions such a man as President Coolidge, who, after all, is an American and not entirely unprejudiced. He also made some very interesting references to historical events; and his references to my hon. friend the Acting Minister of Finance (Mr. Robb) were not just as courteous as they might have been. I remember one interesting allusion he made to ancient history: he spoke of Nero fiddling while Rome burned, and he drew a comparison with the action of the government in that regard. I was almost sure when he did that that he was about to lead up to another interesting historical incident and make a comparison with that well known occasion when the Gaul was at the gates of Rome and the cackling of the geese saved the people of that city. He also criticized the lack of

unanimity on the part of hon. members on this side of the House. His remarks in that respect had reference chiefly, I think, to differences of opinion on this side with regard to the tariff and with regard to the principle of public ownership. He is quite right in that. There are members on this side who are protectionists; there are some—two or three, perhaps—who are free traders; there are others who believe in a tariff for revenue or, we will say, moderate protection. But the same thing exists among our friends diagonally opposite. I think I can remember last year the hon. member for Kent, N.B. (Mr. Doucet) moving a resolution with regard to higher tariffs. I think I can also remember that this year when the hon. member for Macleod (Mr. Coote) moved a resolution in favour of the reduction of the tariff on automobiles, the hon. member for Kent voted for that proposed reduction.

Mr. DOUCET: If the hon. gentleman will permit me, the amendment of last year declared for tariff consistency, fiscal stability—a consistently maintained tariff policy; and this year the resolution to which my hon. friend refers dealt with the reduction of a duty which is higher than that on any other article imported into this country.

Mr. EULER: I am not finding any particular fault with my hon. friend for voting either one way or the other. I am merely pointing out that it was a case of the pot calling the kettle black. We also had other members from the Maritime provinces, even a member of the former Union government—the hon. member for St. John and Albert (Mr. Baxter)—voting for a reduction in the tariff. So did the hon. member for York-Sunbury (Mr. Hanson) and the hon. member for Royal (Mr. Jones). I am not finding fault with them, but the fact remains that members of the House will vote according to their own interest, whether it be on the question of tariff or not; and occasionally they will vote against the attitude taken by their own leader.

I might make some reference also to the other question in respect to which hon. gentlemen opposite say we have been inconsistent, that of public ownership. Members on this side, I am sorry to say—a great majority of them, I believe—are opposed to public ownership, while some of them, including myself, are believers in the principle of public ownership. On the other side we have heard very little with regard to public ownership; so far as I can remember, only one hon. gentleman, the member for South York (Mr. Maclean) has this session said one word in favour of that principle, although scattered among the members of that party are those who in former days supported it very strongly.

We have the amendment now—and it has not been discussed to any considerable extent—for the reduction of the sales tax. In theory, Sir, I am in favour of the amendment. We also saw in the press before the session opened a suggestion on the part of the leader of the opposition that we should have a reduction in freight rates both east and west. The thing that I desire to point out in connection with both these suggestions is that both must mean a reduction in the revenues of the country, and I have heard no practical suggestion as to how those revenues are to be replaced.

The hon. member for York-Sunbury condemned such arrangements as the Crowsnest pass agreement. He stated,—he is not here and I shall not do him any injustice, but I think this is correct—that he was entirely opposed to any special agreements that would give preferences to one class of the people or to the people of one section of the country as against those of another. That is a very sound principle; but in the very same speech he also stated that it was necessary that the people of the Maritime provinces should receive special consideration so far as freight rates were concerned. I see no consistency in that attitude.

There are many things I should like to discuss, Mr. Speaker, but I shall deal only with the subjects which to me seem of greatest importance at this time. It is true that business stagnation exists in Canada. I do not believe it is more serious than it is in the United States, but I would like to deal briefly with what I consider to be the causes of that depression, and to suggest as far as possible some remedy. I would say that there are three chief causes: over-industrialization; lack of confidence on the part of business men—for reasons which I shall examine a little later—and last, and greatest of all, high taxation.

With regard to over-industrialization, I would say that during the prosperous years of the war, and later, in 1920, the manufacturers of this country—I am not blaming them for doing it—extended their businesses more than was warranted by the business that was offering in this country itself, and with taxation becoming high, costs became greater, and people not having the same purchasing power as they had before. These two are the causes of over-industrialization. We have factory plant in this country which is more

than sufficient to supply the needs of the Canadian people. Now if I am right in that statement, then it points clearly to the necessity of developing foreign markets, and I am glad to say that this government is doing something in that direction.

But, Sir, if foreign markets are to be developed they must be developed in a systematic way. I do not believe in paternalism as a principle of politics, but in my opinion the government, or the Department of Trade and Commerce, ought to have in every country where some trade may be looked for commercial agents to advance the business interests of this country.

Mr. FORKE: While I agree entirely with the remarks that are being made by the hon. member, would he kindly explain—I am asking just for information—how we are going to compete in foreign markets when we are continually being told that Canadian manufacturers are unable to compete in foreign markets owing to the low cost of production in these other countries?

Mr. EULER: The hon. gentleman is falling into this very common error. When we speak of foreign markets and low cost of production, we are not saying that that obtains in all countries of the world. There are certain countries in Europe to-day manufacturing certain lines of goods in which it is utterly impossible for Canadian manufacturers to compete at this time; but there are some countries in which we can sell things, as witness the proposed trade agreement with Australia, and the suggestion of the hon. member for Ottawa (Mr. Chevrier) that we should be able to do more business with South Africa.

Mr. FORKE: I want to put myself right. I do not believe in those arguments myself. I only put them up to you.

Mr. EULER: I have no fault to find with the hon. gentleman's objections to my argument.

Mr. FORKE: I do not mean your argument, but the argument that we cannot compete with other countries. I think we can, if we go about it right.

Mr. EULER: I would just put this up to my hon. friend—and I would not like him to think that I am in any sense an extremely high protectionist: I think he will admit that in some countries of Europe at least, and of Asia as well, the cost of labour is very much lower than it is in Canada or the United States. If wages are higher in the United States than in Canada, Canadians will naturally drift to the United States. I think that follows.

Mr. FORKE: If the cost of living in the United States is no higher.

Mr. EULER: Well, we will say that. I think the cost of living is practically the same in Canada as in the United States. Now, if wages are higher in the United States than in Canada, Canadians will naturally go to the United States. If wages in Canada are as high as they are in the States and if they are lower in Europe, I say it is very difficult for Canadians to compete with the low-paid labour of Europe. I did not intend, Mr. Speaker, to go into a lengthy dissertation on the tariff to-day at all.

Mr. STEVENS: The hon. gentleman stated that one of our difficulties in Canada was that we were over-industrialized. In view of the importation last year of $140,000,000 worth of iron and steel products, does he still contend that Canada is over-industrialized in that line?

Mr. EULER: I would not say that of iron and steel, no; my statement is made in an entirely general way. As for the United States, Mr. Speaker, I think it is high time indeed, both for commercial purposes and for the sake of our national self-respect, that we should appoint a representative at Washington. I remember very well that an appropriation for that purpose was made under the former government. No appointment ever was made by that government, and that neglect has been continued by this government. For my part, I cannot understand why there should be such a long delay when the desirability of such action is admitted on all sides. We may as well admit that our interests are inevitably bound up with those of the United States. The United States does not admit it, but she must ultimately realize that she cannot prosper permanently unless she obeys the well-known economic law that she cannot hope to sell if she does not buy. A well-known American economist has given it as his opinion that if we Canadians survive for another ten years, which, of course we will, the United States will have 135,000,000 of people, and she will then purchase all the foodstuffs that Canada can produce. We ought, I say, to put ourselves in a position to meet those conditions as they come, and one of the things we should do is to appoint a Canadian representative at Washington as a necessary step in that direction.

I spoke of lack of confidence. Our friends of the official opposition say that the tariff is not properly adjusted, and that the uncertainty as to its stability causes the waning of enterprise and a lack of confidence in every way. I think there may be some justification for that statement. My position on the tariff is, I think, pretty well known. It is the same as it was last year, it is the same as it was the year before, and it is exactly the same as it was when I entered this House some eight years ago. I am not going to review all that again; I shall content myself with saying that I favour such a tariff as will ensure that at least a fair share of the Canadian home market shall be preserved for Canadian workmen and Canadian industry. I voted against the budget last year, not because the reductions in the tariff were great or startling, not because any industry of my riding was seriously injured; but because I believed then as I believe now, that before changes in the tariff are made there should be the most careful investigation as to the effect of such changes. I urged then the appointment of a tariff board, not a partisan body of men but a body of men selected with one object—and only one object—in view, a body of men who have the ability to go into the business places of this country, with the power necessary to find out exactly the condition of those businesses, and to obtain knowledge and to bring information to this government and to parliament which will enable an intelligent revision of the tariff to be made.

Mr. HOEY: How would such a commission determine costs in other countries? The hon. gentleman may have read how the tariff commission of the United States attempted to ascertain costs in Germany and France, and how unsuccessful they were, and how they threw up their hands in despair at making the actual cost basis a factor in the tariff schedules.

Mr. EULER: Costs, of course, would be only one feature.

Mr. HOEY: But a very important feature.

Mr. EULER: If you want to search out the books of a company or find out the costs of any manufacturing enterprise, I do not think it would be very difficult for expert accountants to go to those places and find out exactly what the costs are.

Mr. HOEY: In foreign countries?

Mr. EULER: Not in foreign countries. There they would be entirely at the mercy of the people of that country.

Mr. HOEY: Then you have no comparison.

Mr. EULER: Under the former government, where the dumping clause was supposed to be applied on the basis of what goods cost in the United States, it was found impossible to enforce that clause because Canadian officials would not be permitted to go into United States factories and make investigations.

Mr. STEVENS: They do it now.

Mr. EULER: I think you would find a great deal of difficulty in sending any Canadian into a United States factory, a man who has no particular business there, and who does not represent Americans, and get them to give him free access to their books to ascertain anything he may choose to obtain.

Mr. STEVENS: The Customs Inspection department check up the cost of goods now in exactly that way.

Mr. EULER: I think all they check up is this: If they think an invoice of goods coming into Canada is too low, all they do is to go to Boston, New York or some other place of business and check up the prices named in that invoice with the regular prices at which these things are sold throughout that country.

Mr. ROBB. They find the fair market value.

Mr. EULER: Yes, the fair market value. I congratulate the Prime Minister and the government upon their decision to create such a board. We have had the statement of the minister that upon that board shall be certain experts from the department. I have no fault to find with that, but I should like to urge upon the government as strongly as I can, that upon that board there should be a preponderance of independent men chosen entirely for their fitness for the work to be done and clothed with ample power to do it properly.

Mr. HOEY: You will have to import them.

Mr. EULER: In that case we will put a tariff against them. Unless what I have suggested in connection with the tariff board be done such a board may very easily do more harm than good. On the other hand, if the personnel of that board is what it ought to be a great deal of good will come from it. I believe such a board will inspire a good deal of confidence because our businessmen will know that before changes in the tariff are made they will at least be given an opportunity to present their side of the case; and in that way—although not entirely, because I believe the responsibility for taxation and the making of tariffs must always remain with parliament and with the government—we may, to some extent at least, keep the tariff out of politics.

Now I am going to refer to another feature of the tariff with which probably many members will not agree. I took the opportunity last year—I think twice, both in the debate on the Speech from the Throne and in the debate on the budget—to refer to what is known as the British preference. Our friends angularly opposite are in favour of higher tariffs. I would say to them that nothing else would be more properly and more nearly to their hand than action to abolish the British preference. My reason for being opposed to the British preference rests entirely upon the commonsense basis that if protection—if you want to call it that—or a tariff for the maintenance of your industries is right and proper, I do not see why there should be any qualification at all one way or another. Tariffs are a matter of business and not of sentiment, and the sooner we proceed on that basis the better. For my part I see no reason why the British preference should be maintained if the tariff is to be used for the preservation of Canadian industry, in which I believe. If a Canadian industry is ruined because of competition from Britain I do not think it makes it any more bearable for the Canadian who is ruined if that result has been brought about by a British industry rather than by an American industry; and one of the defects, one of the abuses, in reference to that preference is that large quantities of goods come into this country under the preference as British goods that are not British goods at all. They merely come from other countries via Britain and get the benefit of the preference.

Mr. HOEY: More than we sell to them?

Mr. EULER: Possibly. I was going to say that if our friends opposite, the members of the official opposition, are sincere—and I am not questioning their sincerity with reference to the tariff—I would suggest that if the leader of the opposition will submit a resolution to this chamber for the cancellation of the preference I shall support it with my vote. If he does not I rather think he owes an explanation to Canadian industry.

Mr. MacLEAN (Prince): I think you are perfectly safe in making the suggestion.

Mr. EULER: Perhaps so. But, Mr. Speaker, while these things are factors in the business depression that exists, the greatest of all is the matter of high taxation to which I propose to devote my remarks now. We have the sales tax, the income tax, the stamp taxes, and the excise taxes of various kinds including the luxury tax. All these increased the cost of production and result in high prices, and so limit the power of the people to purchase. High taxation without a doubt is to-day the chief obstacle to national prosperity. And what, Mr. Speaker, is the remedy? Our friends opposite suggest economy and a higher tariff. Well, Sir, I am in favour of economy, of course, as is every other member of the House, and a reasonable degree of protection. The government has made some progress in the direction of economy, although that is denied. But economy in administration is admittedly very difficult. Still there may be room for improvement, and perhaps the one direction in which some improvement might yet be made is in that much abused arm of the service known as the civil service. Now, I do not believe that civil servants as individuals are overpaid; in fact I am certain that a good many of the men in the service are underpaid, and we very frequently lose them because we do not pay them as much as they are worth; but I have a suspicion or more than a suspicion that it is still true that the civil service is overmanned, and we have had statements of ministers of the crown to that effect. Consequently it occurs to me, and I have said this before, that if some survey were made of the other departments such as was made in the case of the Printing Bureau it might be found possible to effect some economies there. But when all is said and done there is still a large residue of expenditure which is uncontrollable. Our debt, exclusive of the railways, is nearly two and a half billions of dollars; I think we realize just a little more accurately what is meant by that when we say it is two thousand five hundred millions of dollars. Pensions are practically uncontrollable, and the cost of the ordinary administration of the country's affairs cannot be reduced below a certain minimum. The interest on the war debt is enormous, and while something can perhaps be done from time to time by way of careful refunding, as was done last year by the Acting Minister of Finance, that burden must remain heavy. We had a reference the other day to the waste that took place in connection with the war. I have nothing to say with regard to that, but after all I think our friends of the opposition should not be hypercritical in regard to war debt, and perhaps with regard to taxation. After all, our debt was created largely when our friends opposite were in office and the most of the responsibility is theirs. Wars are costly and their burdens continue to rest upon generations to come.

But there is one large item of our tax burden which in my opinion can be wiped out if the government has the inclination and

the courage to grapple with the problem. That item is the loss suffered each year by the National Railways. Now I have no criticism to make of the head of the National Railways; rather would I say a great deal that stands to his credit. He came to us less than three years ago. He found a series or group of railways more or less disorganized; and I think the House will admit that he has welded them into the very efficient system known to-day as the National Railway System. Those of you who travel over the line, and you all do, will admit freely that the service on the National to-day is not excelled in Canada and I think that means on the continent of North America. I had the pleasure of a trip over the National railways last fall from Toronto to Prince Rupert, and throughout the whole of that system the service was such as would make any Canadian proud.

Mr. PUTNAM: Should we be proud of that or should we economize?

Mr. EULER: I am proud of it. I am quite free to say that I am proud of the service that is being given by the National; and if Sir Hentry Thornton has done nothing else, he has created a spirit of esprit de corps among the employees of that road that is simply admirable and is not excelled by the employees of any other railway, and I should like to say to my hon. friend that that costs the country nothing.

Mr. PUTNAM: That has nothing to do with the question of unjustifiable luxury.

Mr. EULER: It also stands to the credit of the president of the road that in a year which was a bad year he has been able to cut expenditures in operating the road some $14,000,000, and has showed a net operating revenue of $17,000,000. Yet in the face of all that the loss each year is very high. The National railways owe to the government of Canada the sum of $560,000,000, not including interest on that debt for some years. The interest upon this sum last year was $31,000,000—I am giving only the millions—which has to come out of the pockets of the taxpayers of Canada. That sum of money forms part of the consolidated debt of Canada and it is taken care of in the annual estimates of the Acting Minister of Finance (Mr. Robb). In addition to this item of $31,000,000, we had to contribute on last year's account some $21,000,000 towards paying fixed charges on the bonds of the railways owned by the public, that is not by the government of Canada. That makes a total amount upon the taxpayers of Canada of the $31,000,000 plus the $21,000,000, or $52,000,000 each year.

Mr. MARLER: That is for interest?

Mr. EULER: Yes. I am not referring to the amounts put on capital expenditure which my hon. friend also treated as a loss and deficit. Upon that point I cannot agree with him.

Mr. MARLER: Temporarily.

Mr. EULER: Until the business pays and then it all becomes a surplus?

Mr. MARLER: No.

Mr. EULER: That is what the hon. member said the other day.

Mr. MARLER: Until it becomes active.

Mr. EULER: I believe we might carry out a plan by which, instead of having a loss of some $50,000,000 a year we could show a surplus of some $50,000,000. I am sure that will appeal to hon. members, and in a very few moments I desire to go into that a little more fully. That really is my reason for rising to speak to-day.

Mr. MARLER: A Daniel come to judgment!

Mr. EULER: Thank you. Before doing that, I should like, for the sake of discussing the matter intelligently, to give a number of essential figures in connection with the National railways. First, the investment in road and equipment is about $1,837,000,000. The total assets of the road amount to about $2,074,000,000.

Mr. FORKE: How are those assets figured?

Mr. EULER: That is what has been charged up as the cost. They may not be worth that now. Loans from the government, as I stated a few minutes ago, amount to $560,397,957.64. The interest on the loans is not included in that sum.

Mr. MARLER: There are other capital amounts besides that, not included in that amount.

Mr. EULER: Interest on loans by the government amounted to $31,000,000 last year. The debt to the public of Canada, not the government, but outside bond holders, many of whom the hon. member for South York (Mr. Maclean) says are foreigners, is $913,913,082.80. The fixed charges or interest on that debt amounts to $38,361,704.14. Taking

then fixed charges of $38,361,704.14 to the public and interest on the moneys owed by the railways to the government of $31,000,000, we have a total in round numbers of $69,000,000 of fixed charges on the National Railways. From this we deduct the operating revenue of $17,000,000, leaving, as I stated before, a net deficit of $52,000,000. I think it is only fair to say at this point that this is not fairly chargeable to public ownership of railways. I will read just an extract from the Toronto Globe which bears on that:

> A large part of it represents the mistakes and extravagances of governments and private owners and promoters in the past, and is not based on replacement values. It is announced that the management will submit before long a consistent statement of the case for writing down the capitalization. It will be a highly important question for parliament to decide, as the writing-down process would involve an increase of the national debt. The advantage of lower fixed charges would be that it would give the National Railways a definite financial objective which they might hope to reach within a few years.

I quite appreciate the statement made by the hon. member for Vancouver Centre (Mr. Stevens) some time ago that writing down of the capitalization of the National Railways is not going to wipe out the debt. The debt will remain, of course. That is somewhat elementary, I think, but this will give the National Railways, under public ownership, just the same chance as private ownership would have had if those roads had been organized under a new company and had been conducted as a private corporation.

Mr. MARLER: It means simply that you are transferring to consolidated fund so much interest that has to be paid, instead of charging it against the railways. The interest there is exactly the same.

Mr. EULER: I am not questioning that at all. We are not going to save any money by doing it, but we are going to give the principle of public ownership as fair a chance as these railways would have under private ownership. These things were piled up under private ownership, and if these railways had been taken over by a privately organized company, the hon. member knows that they would have been reorganized; that these amounts would have been written down, and that they would have gone on with a capitalization more like that of the Canadian Pacific, about which my hon. friend knows more than I do.

Mr. MARLER: I do not. We would be simply deluding ourselves into a false position. In other words, we are making a bookkeeping entry and putting on one side certain millions of dollars and imagining, for it is purely imagination, that as regards the railways we are paying less in fixed charges. That is the point I make.

Mr. EULER: I am quite willing to let the House judge what is desirable. I think the House understands what I mean.

Mr. MacLEAN (Prince): Will the hon. gentleman give the House the amount that is carried by private parties in bonds?

Mr. EULER: I gave that before.—$913,913,082.80.

Mr. MacLEAN (Prince): What is the interest paid on that?

Mr. EULER: It is $38,361,704.14.

Mr. MacLEAN (Prince): What percentage is that?

Mr. EULER: It varies. I cannot give that exactly. I spoke last year about the duplication and waste involved in the operation of these two great railway systems. I did so at that time as chairman of the select committee on estimates for the National Railways. In our report at that time appeared this paragraph:

> Your committee desires to direct the attention of the government to the apparent unnecessary competition and duplication of services between important centres by the Canadian National and Canadian Pacific railways and to suggest that the railways be invited to consider the whole question with a view to elimination, wherever possible, of unnecessary duplication and competition, so as to conserve the revenues and resources of both companies while still rendering adequate service to the public.

We have heard within the last few days—and I think it is gratifying to all members of the House—that the heads of the two national railways, together with their officials, are getting together with a view to eliminating, as far as possible, duplication of services. That is well worth while doing if we are going to continue as we are. But I think there is a better way, and the hon. member for South York and myself, in the debate on the ocean freight rates resolution, made reference to it. Last year I said—and I said it again in the course of that debate—that I had it on the highest possible authority that a saving of from $50,000,000 to $75,000,000 could be made each year if the two railways were amalgamated and welded into one system. I say now—and again I say this upon the highest possible authority—that if the two roads could be amalgamated, there could be saved the colossal sum of $100,000,000 a year. That is nothing less than a staggering statement.

Mr. McCREA: Which system would do the amalgamating?

Mr. EULER: I am coming to that. I know we are going to have a difference of opinion.

Mr. GRAHAM: That is the rock on which we split.

Mr. EULER: If that sum were saved each year to the people of Canada, it would pay the national debt in about twenty years.

Mr. CALDWELL: Does the hon. gentleman's calculation include the saving that would be made on the Canadian National Railways and Canadian Pacific, or on the Canadian National Railways alone?

Mr. EULER: The total saving effected by the amalgamation of the road. That would relieve the heavy burden of taxation. This was the suggestion I was going to make; if we combined the two roads it would immediately solve the ocean freight rate problem with which we are now wrestling. The president of the National Railways is reported in the paper—I am not permitted to make any reference to the committee—as stating that the savings would be enormous and would be sufficient not only to pay the operating expenses of the amalgamated roads, but the fixed charges on the debt to the public and in addition to that the interest on the money loaned by the Dominion of Canada to the National Railways. Lord Shaughnessy in his famous proposal figured out a saving of $56,000,000 by amalgamation, and he was calculating on the basis of a condition under which the Grand Trunk Railway would not be included. He was ready to cut the Grand Trunk adrift and let that road do the best it could for itself. The Grand Trunk was added to the National system after Lord Shaughnessy's plan was first submitted. I submit that this matter of the railways and the savings that could be effected is the most important question before parliament and the country to-day, barring none. I say that it is of tremendous importance. If $100,000,000 can be taken off our tax levy each year it will have an effect on the industry of the country that will be simply incalculable.

Mr. CALDWELL: Is my hon. friend not crediting the $100,000,000 to the reduction of taxes, when possibly half of it would be a saving to the Canadian Pacific Railway?

Mr. EULER: It depends on whether you are going to have the railways run by the Canadian Pacific Railway or the Canadian National after the amalgamation is effected.

[Mr. Euler.]

Mr. HUGHES: If the merger took place, would the service be as good?

Mr. EULER: I think so.

Mr. BROWN: You could apply to the railway commission to reduce the rates if the railways were merged, the same as you do now.

Mr. EULER: Yes. If parliament decided that it would sooner have the railway rates reduced than have the taxes reduced, that could be done according to its judgment.

Mr. STEVENS: My hon. friend's statement that $100,000,000 would be saved is naturally of vital interest to the country, but a statement made on the responsibility of the chairman of the committee ought to be accompanied in some way with an explanation of where the saving was to come from, and how the figure was arrived at. My hon. friend cannot furnish that.

Mr. EULER: My hon. friend does not expect to present to the House an itemized statement of where the savings could be effected.

Mr. STEVENS: I am not so unreasonable as to expect that an itemized statement should be given, but I suggest a statement from the chairman of the special railway committee that $100,000,000 going out to the country is of first class importance, and ought to be accompanied at least by some general intimation of how the figure is arrived at.

Mr. EULER: The general impression is—and I think it is evident to every hon. member who travels on the railways of Canada—that there is a tremendous degree of duplication of service, absolute waste, lines paralleling each other, duplicate stations and duplicate offices in almost every city in Canada. It seems to me that without any great explanation the principle of the thing must be apparent to everybody. As to the amount, I cannot give my hon. friend any information in detail, and I do not know whether those in authority would be prepared at the moment to give it in detail. But I would say that the men who are most concerned in the conduct of the National Railways and the Canadian Pacific Railway are agreed that a saving nearly as large as the figure I have mentioned can be made by a merging of the roads. The amount of $100,000,000 as a saving—and I expected to be asked my authority for that statement—is given to me by the highest authority in the land, or at least as high an authority as we have in this country.

Mr. FORKE: I would not like to throw cold water on such an alluring proposition as my hon. friend presents, but would my hon. friend see no danger, if this proposition were carried out, of the Dominion of Canada coming under the powers of a private corporation on the one side, or on the other side, of the whole thing being controlled from a political point of view? These are the things that are in my mind. Outside of that, I think the idea is a splendid one.

Mr. EULER: The thing I desire to bring before parliament is this: the saving would be $75,000,000 or $100,000,000. Parliament and the people of Canada would have to decide whether it is worth while to put all the railways of Canada under public control with the possible danger of political influence; or on the other hand to put all the railways of Canada under the control of the Canadian Pacific Railway, with all the danger of private monopoly, which I would not like for one moment to support.

In my opinion—and I may as well say it now—it would be in the interests of the Canadian people if these roads were combined under public ownership, so that the country would get the benefit of the saving made, and not the private corporation, which would enjoy a monopoly of the railway business in Canada. I know that this estimate of $100,000,000 sounds like an extreme statement, but I am not making it without reason, and if it is well founded, it transcends in importance all other matters before us at the present time, and I think it becomes the duty of the government to take some action.

Mr. BEAUBIEN: Is it not a fact that the hon. gentleman for Vancouver South (Mr. Ladner) made the statement the other day in the House that there were five transcontinental trains running between Montreal and Vancouver, and that each one of those trains cost the taxpayers or the people of the country $9,000,000.

Mr. EULER: I was not present when he made that statement, but I would say that there is a partial answer to his question as to how those savings could be effected.

Mr. STEVENS: My hon. friend is looking at me. I am not from Vancouver South, and I did not make any such statement.

Mr. EULER: I was not here when the statement was made. I assure hon. members that the people of Canada are beginning to take a very great interest in this matter, and I would urge it upon the consideration of the government. I am not trying to be dogmatic on this question. I have my own opinion with regard to what ought to be done, but I believe it becomes the duty of the government to at least make an investigation as to whether this statement of the savings which can be effected by the amalgamation is founded on fact or whether it is not.

Mr. DRUMMOND: In this saving of $100,000,000, does the hon. member take into consideration the amount of interest that would be assumed by buying out the Canadian Pacific Railway?

Mr. EULER: Certainly. Suppose for the sake of argument, the Canadian National took over the Canadian Pacific Railway, we must assume that the Canadian Pacific stockholders and bondholders would continue to receive the return on the investment.

Mr. DRUMMOND: And you would be assuming a very much greater liability than you have at the present time.

Mr. EULER: But look at the income. The saving is supposed to be $100,000,000 over and above what the two railways are now able to accomplish.

Mr. MacLEAN (Prince): How would the hon. member fix the dividends to the shareholders of the Canadian Pacific Railway?

Mr. EULER: I am afraid the hon. member is going into details which are rather premature.

Mr. GRAHAM: Any such amalgamation would have to be by the consent of the directors, and the shareholders, too, of the Canadian Pacific Railway.

Mr. EULER: Perhaps so; and I for one am inclined to believe that it might just be possible that the shareholders of the company would consent to an amalgamation.

Mr. GRAHAM: I am not questioning that at all.

Mr. EULER: My point is this, Mr. Speaker, that if the statement I have made be true, then it should be at least worth while for the government to take the initiative and make some investigation with regard to it, and then take such action as may seem suitable.

Mr. STEWART (Humboldt): Does the hon. member not fear that this estimate of saving $100,000,000 was based on the thought that when the competitive element was taken away it would be possible to reduce the service to the public not only to the point where duplication was cut out, but where the public would not care to stand for the reduced service?

Mr. EULER: I have absolutely no reason whatever to believe that that thought was in the minds of those who made that estimate. I would also add, though, that I believe it would be possible, if there were no competition, to cut out a great deal of the service that we are now receiving and that is entirely unnecessary.

Now, Sir, I realize there would be a decided difference of opinion in this House, and perhaps throughout the country, as to whether the combined systems should come under the control of the Canadian National Railways or of the Canadian Pacific Railway. In that connection I should like to correct an inference which might be drawn from a statement made by the Border Cities Star, which seems to be taking quite an interest in this question and which is urging very strongly that the railways be combined under Canadian Pacific management. The paper has spoken of the great economies that could be effected, and of the great waste that obtains just now, and it continues:

> There is only one way to meet it—the situation—and that is for the people of Canada to adopt the course that the president of their railway system has practically advised them to follow. The acquisition of the Canadian National Railways would be a tremendous advantage to the Canadian Pacific Railway.

I leave it right there, with this remark, that there is no ground for the inference that the president of the Canadian National Railways is in favour of combining the railways under the control of the Canadian Pacific Railway. Nothing he has said at any time, so far as I know, and nothing he has said upon which the articles in the Border Cities Star are based, would justify the paper in making that interpretation.

Now for my part, Mr. Speaker, I hold it unthinkable that a private corporation should have a national monopoly of a great public utility such as the railways of Canada. If there is to be a monopoly, it must be held by the people themselves. Some of my fellow-members on this side of the House sometimes express surprise that I should be in favour of public ownership. Well, I am from a city and from a part of Canada where public ownership has been made a great success. I might refer to the hydro system, which I have already done on other occasions, but I will confine myself to my own city of Kitchener. We have there under public control and public ownership our electric plant, our gas plant and our municipal railway. Never yet have the ratepayers of that city been called upon to pay one penny in taxes to carry on these businesses; never yet have they paid a cent in taxes to discharge the debentures as they fell due and the interest; never yet has the commission that manages those concerns found it necessary to do any refunding, and at the present moment, after some twenty years of operation with a five-cent street railway fare, we find the public utilities of Kitchener in this condition, that even with low rates for electric current, gas and street railway fares, they have built up a surplus of $1,000,000.

Mr. HUGHES: Did they reduce the capital expenditure as well?

Mr. EULER: As the debentures fell due the principal and interest were paid out of earnings, and in that way they have built up a surplus of $1,000,000.

Mr. DRUMMOND: If public ownership of hydro has been such a success in Ontario, will the hon. member explain why they have seen fit to advance the rates?

Mr. EULER: That does not necessarily say that public ownership is not a success. The probabilities are that if it were not publicly owned and operated the rates would have been advanced still more. In any case there are those who hold a theory, for I think it is only a theory, that a publicly owned and operated road is not so efficient as a privately managed one. That theory, Mr. Speaker, is in my opinion no longer tenable. We need only look to the conduct of the National Railways to-day. I can call no better witness than my hon. friend for George Etienne Cartier (Mr. Jacobs) who is antagonistic to public ownership and who the other day said on the floor of the House that the service on the National Railways is excellent, and he added that it was the best in the world. The National Railways are giving an excellent service, a service that is improving steadily, and no one of late has charged that politics is playing any part in the management.

Mr. BEAUBIEN: You cannot improve the service; it is the finest in the world.

Mr. EULER: I am glad my hon. friend agrees with me. The usual objections to government operation are, as I have said, that you do not get the same efficient service as under private operation. That, I think, has been disproved. The other objection to the amalgamation of the Canadian Pacific Railway with the Canadian National under government control is that it would cost a great deal of money to take over the Canadian Pacific Railway. I do not profess to have any particular financial ability like my hon. friend for St. Lawrence-St. George (Mr. Marler), but I would say that it would not require the expenditure of any money what-

ever to take over that system. I should think that the bondholders and stockholders of the Canadian Pacific Railway could be given securities in the National Railways and draw their dividends or their interest just as they are doing now. The hon. member for George Etienne Cartier was strongly opposed to the Canadian National Railways, and he advocated just as strongly that the road should be combined with its rival under Canadian Pacific ownership and management.

Some hon. MEMBERS: Hear, hear.

Mr. EULER: I would say to hon. gentlemen that at the time our friend made that speech he gave us a great deal of interesting information and afforded us some amusement, and he reminded me of this little story. An old Englishman was sitting in his cottage and was being belaboured by his loving spouse, but he took it with perfect equanimity. One of his friends happened to walk in and expressed his surprise that he could take such treatment so calmly. The old man replied, "It pleases she and it don't hurt I." I felt the same way about my hon. friend. We had a good deal of enjoyment listening to what he said and, after all, what he said did not hurt the National Railways at all. But, after so much publicity being given to what was said by that hon. gentleman, and also by my hon. friend for St. Lawrence-St. George, who also advocated the acceptance of something in line with the Shaughnessy plan, I think it would be well to make some reference to that plan. The hon. member for George Etienne Cartier admitted to the leader of the opposition the other day that the merger of the roads now under the National system was good; that to merge them was the only thing to do—although, mark you, at first he had been very strongly opposed to that course. Perhaps he will admit at a later stage that a similar merger of the Canadian Pacific with the National Railways under public ownership would also be the only thing to do.

But let me get on with the Shaughnessy plan. To my mind the Shaughnessy plan was a most excellent proposal,—for the Canadian Pacific. It proposed first of all that they keep out of the merger all their ocean steamship lines; keep out the express companies; keep out the hotels; keep out the lands and land contracts; keep out their railways in the United States; keep out their mining interests and certain other things. The Canadian Pacific Railway proper, then, was to take over our National system holus-bolus with the exception of the Grand Trunk, which came into our system afterwards. Now, what the country would get for this was the reasonable certainty, according to Lord Shaughnessy's own figures as taken from his proposal—and I think the right hon. leader of the opposition will know whether or not I am giving it correctly, because it was addressed to him—

Mr. MEIGHEN: There might be an inference in what the hon. member said that the plan involved subsequent acquisition of the Grand Trunk. It did not; the Grand Trunk was to remain as a separate road.

Mr. EULER: If my right hon. friend will search his memory I think he will find that Lord Shaughnessy's proposal was that the Grand Trunk should stay out and be allowed to shift for itself.

Mr. MEIGHEN: That is what I said.

Mr. EULER: That is correct; and I made reference to that before in my observations. But what the country would get would be a reasonable certainty of an annual loss of $55,000,000 under the Shaughnessy plan, and the loss of our railway besides. Let us see how it works out. First of all, the shareholders of the Canadian Pacific Railway Company were to be guaranteed fixed dividends forever by the government of Canada. The rate is not specified, but I presume it would not be less than seven per cent, which is what they are receiving now out of the railway proper.

Mr. MARLER: My hon. friend in his argument has already admitted that.

Mr. EULER: Exactly; I am explaining the purport of the agreement. First of all the Canadian Pacific shareholders would be guaranteed fixed dividends forever by the government of Canada. On the basis of the 1920 business—that was the year used by Lord Shaughnessy in his calculations—the combined systems would have a deficit of $80,000,000. Lord Shaughnessy thought, however, that the savings which could be effected by amalgamation—and perhaps this may have some force with the hon. member for Vancouver Centre—an amalgamation in which there would be no Grand Trunk railway, by the way, would reduce this deficit to $24,000,000. In other words, the saving would be $56,000,000—a very substantial sum—according to Lord Shaughnessy's calculation. These figures are based on the business of 1920, which, he said, was a bad year; a good year, he thought, might reduce the deficit to $11,000,000 or $12,000,000. But as he is definitely taking 1920 as a basis I think it is fair to adopt his estimate of $24,000,000. Now, Lord Shaughnessy was very careful not to say any-

where that his new company would pay the interest on the advances made by the government of Canada to the National railways, in principal some $560,000,000 in all, involving annual interest charges of $31,000,000. Thus we would continue to pay under his plan the annual interest charge of $31,000,000, plus the deficit of $24,000,000, or a total each year, as I said before, of $55,000,000. Is that an attractive proposal, Mr. Speaker—to continue to pay out of taxation $55,000,000 a year and to give away our railway besides?

Mr. MARLER: I think it is only fair that my hon. friend should point out that it is now over five years since this suggestion was made, and circumstances have altered considerably since that time.

Mr. EULER: I am quite willing to accept that for what it is worth, but I do not know just what value I can place upon it.

Mr. MARLER: And also that the figures in that plan were estimates; similarly are the present suggested figures estimates.

Mr. EULER: Certainly; that goes without saying. I have not given any hard and fast calculations; these are estimates—it is all we can possibly base our argument on.

Mr. MARLER: My hon. friend's hard and fast arguments are his own view of public ownership.

Mr. EULER: I am sorry, Sir; I had hoped to get through in not more than an hour, but as my hon. friend himself said once before, others are making a speech for me. We are actually doing just a little better than that now—and I would like hon. members of the House to note this: we are doing just a little better than we would do under the plan suggested by Lord Shaughnessy. We lose the $31,000,000 by way of interest on the moneys advanced to the National Railways, and this year we failed by some $21,000,000 to pay the fixed charges on the debt owing by the National Railways to the public, or a total loss of $52,000,000. That is what the railways are costing us this year as a loss; so I say we are actually $3,000,000 better off than we would be under the Shaughnessy plan, and we still have our railways and the control of them.

In addition to this—and I think this is of prime importance—the Canadian Pacific under the Shaughnessy plan, would get all the benefits of the savings effected by amalgamation, over and above the required $21,000,000 to pay the fixed charges on the debt owing to the public; which would amount to the trifling sum of from $60,000,000 to $75,000,000 a year. Mark you, the Shaughnessy plan also says that in addition to the fixed dividend which shall be guaranteed in perpetuity to the shareholders of the Canadian Pacific, if the profits of the combined system warrant it, the shareholders of the Canadian Pacific shall receive further dividends. There is nothing in his statement to suggest, I repeat, that the people of Canada shall have interest paid on the moneys advanced to the National Railways, or any profits that might accrue under an amalgamation with the Canadian Pacific to be carried on under Canadian Pacific control.

Now, Sir, I am almost through with what I had to say. I consider that the proposal of amalgation under the ownership of the Canadian Pacific Railway should not be considered at all. The Toronto Globe—and I do not always take the Toronto Globe for my guide—thinks it is hardly worth while discussing that proposal. The Canadian people, Sir, will never permit a monopoly of the railway business in Canada by any private company; if they must have a monopoly it must be a public monopoly. We are not going to place ourselves at the mercy of a private concern in the matter of the railway business of this country. It is said that the railway commission will protect us if the Canadian Pacific has a monopoly of the railway business of the country. Yes, the railway commission can control rates, but within the four corners of their right to operate, and entirely outside the practical powers of the railway commission, I contend there lies the whole field of service, and that service may be good, bad or indifferent. I leave it to the good judgment of the House whether any private corporation where there is no competition, no matter how good the intentions of the management may be, is not more apt to give indifferent service than anything else. Here is the difference in theory between the two plans: The privately owned business always has as its primary purpose the making of money, the making of profits, whereas a publicly owned business always has or ought to have in view the primary purpose of service to the public.

I believe the people of Canada would destroy any government that would dare to hand over the National Railways to a privately owned corporation. I believe they would wipe out the candidates of monopoly, although possibly some of my friends who come from the city of Montreal might escape; but I doubt very much whether the sober common sense of the French-Canadian people would

tolerate the suggestion that the railway business of Canada should come under the control of a private monopoly. Certainly from the Ottawa river west, and I think I know whereof I speak, not a baker's dozen would come back to parliament on that issue. I marvel, Sir, at the boldness of the man who made the Shaughnessy suggestion. It was not a compliment to the intelligence of the people of Canada or to the intelligence of parliament, and certainly not to the intelligence of the right hon. leader of the opposition (Mr. Meighen), who then was Prime Minister of this country, and who I am glad to say never apparently considered the proposal. I can only understand the acceptance of this plan by my able friend for St. Lawrence-St. George and my good friend for George Etienne Cartier on the assumption that they did not realize quite what was involved in that suggestion, or else they were so influenced by their antagonism to the principle of public ownership that they let their prejudices run away with their usual good judgment.

Mr. MARLER: Let me say quite clearly to my hon. friend from North Waterloo that I have not entirely accepted the Shaughnessy plan at all in any way.

Mr. EULER: You mentioned it.

Mr. MARLER: The Shaughnessy plan was to me a tentative proposal, nothing more or less. I have never analysed the figures of the Shaughnessy plan in any way, but what I say is this, that some plan should be devised and proposed to this country that will effect the savings that are necessary. If any other plan is as good as the Shaughnessy plan, I for one am quite prepared to accept it.

Mr. EULER: Always, I presume, if it be a plan for the Canadian Pacific Railway taking over the Canadian National Railways.

Mr. MARLER: Not at all. Let me correct my hon. friend there also. I am not at all wedded to the question of the Canadian Pacific Railway taking over the Canadian National Railways. I want to see the railway deficit stopped in this country, first of all.

Mr. EULER: I am very glad the hon. member and I are quite agreed on one point.

Mr. MARLER: My hon. friend is speaking like a partisan.

Mr. EULER: I will leave it to the judgment of the House as to who is the partisan when we come to the question of the railways.

Sir, the union of these systems under national ownership offers a good deal more than the Shaughnessy plan. It gives to the country the benefit of the savings effected, and not to the Canadian Pacific. When I remarked the other day that Sir Henry Thornton believed that union would result in the paying of all fixed charges, including the interest on the moneys advanced by the government of Canada to the railways, the hon. member for George Etienne Cartier rather ungraciously remarked that Sir Henry Thornton was a good promiser. I would just like to draw attention to this, that Lord Shaughnessy was also a promiser, and that the one promiser represented private interests, and the other promiser the Canadian people, and I would like to ask: Which one would the members of this House as the representatives of the Canadian people consider the more disinterested?

Now we have the three alternatives. We can continue as we are, run our roads in as close co-operation as possible with the Canadian Pacific Railway, making savings wherever we can, but running as two independent systems. I believe much can be done that way, and with a reasonably good year I believe that we will come very close to paying fixed charges to the public. If we continue in that way I believe that something should be done by way of writing down the capitalization of the National Railways so that they will be placed on some sort of basis that will enable them to go on as they would be able to do under private ownership.

Then we have the second plan—combine under Canadian Pacific Railway ownership. I am not going to discuss that any more, because I think it should not be very seriously discussed.

Third, combine the National Railways and the Canadian Pacific Railway into one great public-owned system. That in my opinion is the proper solution, a solution which seems perhaps impossible, may I say, because of its apparent magnitude or because men's minds have not learned to adjust themselves to so big an undertaking, but which, Mr. Speaker, in my opinion will be forced eventually by the logic of facts. If anyone had said ten years ago that five great railway systems in Canada would now be combined into what is known as the Canadian National Railways, he would have found very little credence with the Canadian public; but we have them combined into one system to-day.

Let me repeat, Sir, if $100,000,000 can be saved to this country by a union of the two great railway systems, it constitutes a challenge to parliament and to the government, and I believe the people of Canada will expect some sort of action, even if it be only investigation of what I say. I think it can in duty do

nothing less, and if it finds it true, its duty is so clear that the neglect of it, I think, would be inexcusable.

In conclusion, let me summarize what results we can expect if we grapple courageously with the suggestion to settle this question as it must one day be settled.

First, it will enable the government to reduce taxation by nearly one-third, or at least one-quarter.

It will restore confidence, and encourage the Canadian people to go ahead, knowing that light is breaking at last on our financial horizon.

It will stimulate trade. It will lower the cost of living. It will encourage enterprise and lead to the more rapid development of our natural resources. It will at once solve our ocean freight rates problem.

And finally, on it could be based a practical scheme for the extinction of our enormous public debt, to which may be attributed most of our difficulties.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. H. A. STEWART (Leeds): Mr. Speaker, like the hon. member for George Etienne Cartier (Mr. Jacobs) I very seldom take part in the debates in this House and therefore have no apology to offer for occupying a brief period of the time of hon. members this evening. The hon. gentleman in question mentioned a statement as to the cost of a sitting of the House, and if I remember correctly he said it was at the rate of about $18,000 per day. A statement somewhat similar to that was made by some hon. member during one of the previous sessions of parliament, and the Minister of Justice (Mr. Lapointe) last session made a statement which placed the matter right, and as it is more favourable to those who are rather inclined to indulge in long speeches I feel perhaps justified in giving his figures. He stated that the cost of a session of the House was about $55,000 per month, over and above the regular permanent charges which must be paid in any event. Figuring twenty working days to the month that would make the cost about $2,700 a day, very much smaller than the figure mentioned by the hon. member to whom I referred. So that I feel the situation in that regard is not as bad as it might be after all, and possibly I may be disposed to take a few minutes longer than if the cost were $18,000 a day as represented.

[Mr. Euler.]

Before proceeding with the matters that I intend to discuss I should like to refer briefly to the very interesting address of the hon. member for North Waterloo (Mr. Euler), who finished his remarks just before six o'clock. The hon. gentleman always has something interesting to say and speaks with a knowledge of his subject. To me the remarkable feature of his address to-day was the extent of his criticism of the government. He found fault with the taxes. He called some of them nuisance taxes, criticized the sales tax, thought the income tax should be lowered, and was not altogether complimentary in his references to the dealings of the government with the railway proposition. One would expect that after all this volume of criticism he would not be quite comfortable on that side of the House. His criticism covered many subjects and was of a wide range, but I notice that the hon. gentleman sat down without stating how he was going to vote in connection with this budget. One would scarcely expect, in view of the criticism indulged in, that he could possibly support the government on this budget; we will await with interest his action when the vote takes place.

The budget, of course, is the subject of discussion at the present time. There have been many attacks upon it, attacks from many angles, and few of the members seem to be able to understand it. Many confess that they are unable to do so; and it would appear that if the Acting Minister of Finance (Mr. Robb) had endeavoured to present a statement that was confusing and hard to understand he could not have possibly succeeded better than he has on this occasion. The leader of the Progressive party (Mr. Forke) says that he cannot understand the statement, and other members, as I have stated, take the same position. The distinguishing feature of this budget is that it lacks clarity and, worse still, lacks candour. The Acting Minister of Finance admits an increase in the public debt for the last fiscal year amounting to approximately $14,000,000. To arrive at this conclusion he adds to the estimated cash surplus of revenue, amounting to approximately $1,823,000, the sum of $4,000,000 due from Roumania and Greece for interest on certain loans, although this sum has not been paid and possibly may never be paid or received by the Dominion of Canada. Assuming, however, that payment will ultimately be made this item should be treated as an asset, and there is no justification whatever for its addition to the revenue pending actual payment. If this proper course had been adopted the increase

in the public debt for the last fiscal year would have been approximately $18,000,000, an increase which I think most hon. members admit would in itself be rather alarming in view of the high rate of taxation prevailing in this country particularly as compared with the rate prevailing in the United States. It must be remembered too that the $18,000,000 above mentioned does not include moneys borrowed for the Canadian National Railways, the repayment of which has been guaranteed by Canada. The amount thus provided for the last fiscal year is approximately $64,000,000. On this basis the total increase of public debt, including moneys provided for railways, is $82,000,000 and in addition to that we have $18,000,000 provided for the National Railways for branch lines. Therefore, if that is taken into consideration, as I submit it should be, the total increase in our national debt during the last fiscal year is approximately $100,000,000. As against the moneys advanced to the Canadian National Railways, there may fairly be set off the increase in capital assets. But as is admitted all around, that already these railways stand in our books at a very much larger figure than their real value and there is a contention from different parts of this House that the capitalization should be written down, very little comfort is derived from the mental process of endeavouring to estimate how much our roads have been increased in value by these expenditures. This government appears to have done its best to confuse the statement and conceal the facts; but an analysis of the figures forces any competent authority to a realization of the serious condition that confronts the Canadian people. The question is: How long can we afford to go on increasing our national indebtedness at the rate of approximately $100,000,000 a year, and how long will the Canadian people tolerate a government that carries on in this way?

What is the cause of the confusion on the part of members in this House as to the actual state of affairs in connection with these accounts? This may be found in a reading of the budget speeches of the Minister of Finance (Mr. Fielding) and comparing them with the speech made by the Acting Minister of Finance (Mr. Robb) in delivering his second budget. I wish to quote briefly from Hansard of the session of 1922, volume 3, pages 2106 and 2107, where the Minister of Finance made the following statement dealing with the public debt:

> I want to call attention now to the increase of our public debt. Against the gross debt are set off what are called the assets of the Dominion. In former years practically all our assets are treated as good. When the amount was not very great in proportion to our business, perhaps there was no need for any discrimination, but when these assets, under the operation of our railways, grew to very large figures, it became desirable or necessary that there should be discrimination. My predecessor in office, very properly I think, made that discrimination by dividing those assets into active and non-active. It makes no difference with regard to the general expenditure, but if only the good assets are set off against the gross debt we get a fairer statement of the real debt of the country. Now, we are continuing this method of treating the assets: we treat these railway moneys as loans. Perhaps there can be some just objection to that. The Grand Trunk and the Canadian Northern are now virtually owned by the Dominion of Canada, and when we advance money to them we are, in a sense, lending money to ourselves. When we represent these debts as assets, a keen critic might find some fault. But it may be that it will be necessary to continue that system; we are following out the accounts for 1922 in that way. There may be an advantage and a convenience in separating the railway operation from the rest of our expenditure. However, there is another view of the matter. We have a justification for charging to capital or to a special account some particular thing—the building of a railway for instance. Various classes of public expenditure having permanent results may properly be classified as assets, may properly be classified under capital account; but if from year to year we are to provide for the ordinary expenses of the railway; if we are to provide for the deficits, the difference between receipts and expenditure; if we are also to provide large sums for interest on the bonds and other securities of these so-called railway companies —if we are to do that unfailingly every year, with a reducing figure we may hope, it will be open to some to say with much justice, that this is no longer a special account but part of the ordinary expenditure of the country; and if so, that ordinary expenditure should be included before we undertake to declare a surplus. However, as I said a moment ago, there may be some advantage in keeping the accounts of the railways for the present as separate and apart from others. If we clearly and definitely understand the nature of the transaction, I suppose there may be no serious objection to it.

Then, dealing with loans, he said:

> During the year four Canadian government loans have been floated. Three of these have been in the names of the railway companies and one a direct government obligation. We still keep up the theory of corporations in regard to these railways; the railway loans are issued in the names of the railway companies, with guarantees by the government. As a matter of fact, the government to-day are both makers and endorsers of those securities; so that practically they are now government loans.

In 1923, the Minister of Finance, dealing with income and expenditure, made the following statement, as reported in Hansard, volume 3, page 2641:

> We turn now to the year 1922-1923 which closed not many days ago. We have not the complete accounts before us, but there is sufficient information to enable us practically to announce the result. Ordinary revenue amounted to $393,619,000. These are estimates as the figures are not absolutely final. Ordinary expenditure amounted to about $331,780,000. As between those two items, there was then a surplus of $61,839,000. Capital expenditure, however, represents $14,500,000; adjustment of war claims,

$6,700,000; cost of loan flotations, $3,050,000; these representing in all $24,250,000. There was thus a surplus over ordinary, capital and special expenditures, of $37,589,000. But again the railways have to be taken into account. We had to advance during that year $92,190,000 for railways, and $6,060,720 for the Canadian Government Merchant Marine, making in all for that charge, $98,250,720. This, of course, takes up all the surplus I have mentioned and leaves a large balance on the other side of the account. If we take everything into consideration for the year, the net result was that we added to the public debt in the year just closed $49,293,086. The receipt of something over $8,000,000 from the British government on exchange account helped us to keep down what otherwise would have been a larger addition to the public debt.

The point to which I wish to call the attention of the House in these two budget speeches of the Minister of Finance is that he dealt explicitly with loans to the Canadian National Railways and clearly stated that they must be taken into consideration in dealing with the national debt. He went almost so far as to say that they should be taken and included in the expenditure for the year. Just let us see how the Acting Minister of Finance (Mr. Robb) in his first budget speech departs from this practice which, I submit, is entirely sound. I am quoting from Hansard of 1924, volume 2, page 1214. In dealing with railway loans, the Acting Minister of Finance speaks as follows:

> I may say when loans are made by way of cash, under the arrangements made by the former Minister of Finance, they are treated as non-active assets and are, therefore, not taken into account when determining the net public debt. Moneys raised by way of guarantee, which places the government in the position of an endorser, do not presently affect the public debt in any way as they are indirect obligations.

I do not think that contention will commend itself to the best judgment of the members of this House, and it is quite in opposition and quite different from the position taken by the Acting Minister of Finance. I think it is absolutely unsound, and reminds one of the practice of our old friend Micawber, who gave a note and said the debt was paid, and that was the end of it. The hon. member for St. Lawrence-St. George (Mr. Marler) in dealing with this matter the other night also made it very clear in the course of his remarks that these guarantees were part of the national debt and must be taken into consideration in dealing with this question. At page 2335 of Hansard he says:

> That is not the point in question. The point in question is this, as to how much of those bonds emitted year after year, have to be added, using that argument, to the net consolidated debt or, if you put it in another way, to the combined debt of the country. In other words, hon. gentlemen have complained that in a certain year we paid out a great deal of money in cash on account of the railways and we charged that in the net consolidated account. Consequently, the deficit was very large.

[Mr. H. A. Stewart.]

Now, they say, you come along and say to us: We do not intend to pay out cash, but we intend to finance by way of bonds. Consequently your net deficit is very much less or you may have a surplus as the case may be. There is a good deal in that argument and it has to be fairly faced. The question of policy is one which does not make any difference one way or the other in the financial arrangements. Whether the railways are financed by way of cash or by way of bonds, it matters not, all the obligations of the railways are our debts and have to be taken into consideration in some way or another. If $20,000,000 is issued, guaranteed or unguaranteed, in any particular year, that is reflected in the debt of the country, perhaps not for book-keeping purposes in the consolidated debt, but in the combined debt of the country. We owe that money and we have to pay it. Of course, as against it, we have the assets, if any, purchased by the funds or proceeds of those particular bonds. Therefore, in the last analysis it does not make any difference whether we pay cash or issue bonds, for practical purposes we have to take into consideration the net result which is obtained.

That is a position which I submit, Mr. Speaker, is quite different from the position taken by the Acting Minister of Finance in his address. Nearly every speaker has spoken of the high taxation that prevails in Canada. I do not know that we always realize how high it really is, and we can only get at this by a comparison with taxation in other countries. We all admit it is too high, and that it should be reduced if possible. We are apt to think of England as a country in which the taxation is exceedingly high, and figures have been quoted in this connection; but if you take into consideration the taxation in the Dominion of Canada, including our federal, our provincial and our municipal taxation, we find that it is a little higher in Canada than it is in England. An authority dealing with this question quotes the taxation in England as $80, and in Canada our Dominion taxation amounts to $38. In the province of Ontario our provincial taxation is $13 and our school and municipal taxation $30, making a total of $81, just approximately $1 in excess of the taxation that exists in Great Britain.

Mr. ROBB: If my hon. friend is going to quote the taxation in Canada as against the taxation in England, it would be fairer if he would quote all the provinces, instead of picking out Ontario where the taxes are high.

Mr. STEWART (Leeds): I do not know of any province where the taxes are low.

Mr. ROBB: They are lower in Quebec.

Mr. STEWART (Leeds): I understand other provinces are higher than Ontario.

Mr. ROBB: Not Quebec.

Mr. STEWART (Leeds): British Columbia is higher.

Mr. ROBB: Yes.

Mr. STEWART (Leeds): I do not know about Quebec. Perhaps they have ways of getting revenue which the other provinces have not. We may overtake them after a little while. The discouraging feature of it is that while the taxation is high in Canada, it is getting lower in other countries, and we are not able to reduce our taxation. Australia, New Zealand, the United States and Great Britain are all able to reduce their rate of taxation. Canada on the other hand is not able to do so and we are going further behind every year. Let me quote a statement made by President Coolidge, which I think is just as applicable to Canada as to the United States. He said:

> All experience shows that a larger amount of money can be collected from large incomes at a moderate rate than at a high rate. When the rate is too high large incomes disappear, leaving all the burden of taxes on the wage earners, and people of small means.

Then the Prime Minister of Australia says—and I think this is just as applicable to Canada as it is to that country—

> I think all students of economics are agreed that nothing curtails development, hampers trade and industry and reduces the standard of living of the people more than crippling taxation. In comparison with other countries of the world our taxation is not excessive but having regard to our particular circumstances, it is having a disastrous effect. We are a young country, with illimitable natural resources, but no great accumulated wealth. A burden which could lightly be borne by an old country, with its great capital resources, is one which might strangle the future development of a young nation.

These are, I submit, particularly applicable to Canada. We all realize that to-day the greatest competitor of Canada is the United States, situated as it is just across the line. The same language is spoken in both countries. The difficulty of transferring individuals or money from one country to the other is not great, and unfortunately we find that the transfer of people is very excessive, and there is no real sign of an abatement. On different occasions in this House I advocated the wisdom and the necessity of a reduction in income tax and I wish now to give a comparison of the rate of income tax in the United States and in Canada.

Income married man	Canada	United States
$ 3,000	$ 40	$ 7 50
4,000	80	22 50
5,000	126	37 50
6,000	117 50	57 50
10,000	619 50	207 50
20,000	2,089 50	1,017 50

I do not need to pursue this table any further to show the great discrepancy between the income tax levied in the two countries and the immense advantage that capital enjoys in the United States as compared with Canada. I sincerely hope that the government will find some way to meet the many demands that come from all parts of this House for a reduction in the scale of income tax.

When we come to the tariff we at once get on controversial ground. We have had a good many debates on the subject, even since the introduction of this budget, and no subject has been the cause of more prolonged discussions during the last quarter of a century than this same question. I do not, however propose to deal with it exhaustively to-night; I hope another opportunity will be presented when the resolution standing in the name of my leader comes up for discussion to go into the subject more fully. Let me briefly review the record of the government upon this important question. The government was elected upon a platform of a downward revision of the tariff; that was clearly set forth at the convention of the Liberal party in 1919 and was enunciated in this House by the Prime Minister when leader of the opposition and by all of his supporters during the last election campaign. When the government came into office their first budget showed a slight reduction in the tariff, so slight that it was entirely offset by an increase in the sales tax. Recognizing that this did not in any way amount to a fulfilment of their pre-election pledges, they told us to be patient, that this was a beginning, that it was a step in the right direction—"Wait until you see us next year." Next year the Minister of Finance (Mr. Fielding), to the surprise of all, announced that we must have tariff stability, that it would not be right or proper to be always tinkering with the tariff, particularly as our tariff was only a moderate one anyway. I commend his statement to those hon. members who are accustomed to speak of our tariff as high. It is not a high tariff; it is a low tariff compared with the tariff of other countries, particularly since the war. In the third session of this parliament, notwithstanding that announcement by the Minister of Finance, the budget contained considerable reductions in the tariff, reductions which disturbed industry and alarmed capital, and resulted in no corresponding advantage; in fact it would be hard to imagine any advantage that could compensate for the injuries caused by these reductions. We were told that the government were carrying out their programme, which they would persist in until finally we had that all-round downward revision which had been promised in

their platform. Shortly before the opening of this session the Prime Minister, in the course of a speech in Toronto, announced that there would be a pause in the downward revision, that after all there would be no serious tariff changes in the next budget. What do we find to-day? In this, the fourth budget of the government, instead of carrying out the earlier programme of a downward revision, we find there is an increase in the tariff on coal, and we have a sort of promise—for what it may be worth—that a tariff board is to be constituted.

The member for Springfield (Mr. Hoey), in dealing with this proposed tariff board, intimated that he thought it was really something that would enable the government to avoid responsibility, a sort of smoke screen behind which they could hide for protection. The proposition is so hazy, so indefinite, and the government have so frequently resorted to royal commissions of one kind and another to escape responsibility upon every vital issue that has come up, that I do not wonder at the member for Springfield looking upon this tariff board as a similar device. I think it would be possible to erect a commission that would really be helpful to the government and to all concerned in tariff matters; but this proposition is so vague, there is so little detail presented, that we are unable to judge whether such a board would be of any real service or not. I suggest, Mr. Speaker, that this proposal is put forward on the eve of a general election to enable the government to escape from the difficulty in which they find themselves. Is it not intended to make the tariff issue a free for all, to enable their candidates to preach high protection where it suits, to preach low tariff where it suits, to preach tariff for revenue where it suits —in short to suit the tariff policy of the government to the particular constituency, so that some of their candidates may pose as supporters of a tariff for revenue only, others as protectionists, and still others as free traders—ready to ring "the death knell of protection?" I submit that the proposal is open to this interpretation in view of the action of the government on this vital issue. But, Mr. Speaker, these tactics will not save the government. The Canadian people have been waiting for some clear, clean cut pronouncement of policy on this important question, and they are not going to be satisfied with vague and indefinite promises and platforms by those who in the past have failed to redeem their pre-election pledges.

As was pointed out by the member for Lincoln (Mr. Chaplin), tariff reductions resulted disastrously to Canada in connection with the French treaty. He showed that in ten months of the last fiscal year Canada lost in tariff duties and excise duties—lowered because of the French treaty—no less than $1,600,000. What we need at the present time is tariff stability, something like continuity of tariff policy. The hon. gentleman also pointed out that this reduction was not upon the necessaries of life, but upon luxuries, of which he gave this list: Brandy, non-sparkling wines, silk fabrics, ribbons, silk stockings, perfumery, soap, jewelry and other articles of a similar character. The fact is, Mr. Speaker, that upon this vital question of the tariff the government has no policy, no programme except a sessional programme—whatever is necessary to get through the session from year to year.

Now I come to the question of railways. I do not propose to deal with that subject at any considerable length, as we shall have other opportunities for discussing it more fully. The member for North Waterloo went into the question exhaustively this afternoon, and one would think his address would either persuade or provoke the government into announcing some sort of policy that would put an end to the extravagant expenditure and waste of duplication that is taking place on these two railway systems in Canada. I have before me a portion of the statement of the Canadian National Railways for the last year. We find that their operating revenues decreased by $17,500,000, in round figures, and their operating expenses decreased by $14,300,000, in round figures. There was a net decrease of revenue of $3,186,000 odd. It is interesting to look at the regions of these railways which yielded a deficit and those which produced a profit, and I sincerely hope that our friends to our left will give serious attention to this phase of the question and consider it in connection with their claim for continued lower rates in the western provinces. I will quote the figures:

	Operating Revenue	Operating Expense	Surplus	Deficit
Central region..	$114,564,818	$98,131,371	$16,433,446	
United States lines..	34,363,689	28,883,527	5,480,162	
Western region..	65,938,275	67,062,628	.....	$1,124,353
Atlantic region..	20,721,399	24,266,403	.....	3,545,004

So that two of the regions showed a surplus, but that surplus is reduced by the deficits incurred in the other two regions. That is interesting and illuminating in connection

with the present muddle in connection with the railway rate question in the western provinces, arising out of the Crowsnest pass agreement. We had hoped that the government would bring down before this time its policy upon this important question. Surely the time has come when this agreement, which operates in such a way as to work a serious discrimination, should be terminated and the whole matter turned over to the railway commission for the framing of a fair and proper system of railway rates, based on such instructions as may be given it in any policy laid down by this parliament.

The two matters that call for action at the present time are the abolition of excessive and extravagant expenditures in a very high class of service, and the elimination of overlapping and duplication of the two systems. If a conference between the heads of these railways fails to bring about the desired result, then I submit the matter should be sent to the railway commission and if necessary the Railway Act should be amended to enable the commission, upon application of either of the railway companies, of the Minister of Railways, or of the Governor in Council, to deal with this matter and to make such order as will bring about an elimination of this needless competition.

Another matter which I desire to deal with very briefly is that of hydro electric power, and my reference to it is suggested by the imposition of an export duty on power. Hydro electric power is the most potent attraction for industry and development on the face of the globe to-day, and the province of Ontario is more interested in this than in any other future or possible development. It is an asset of almost inestimable value to Canada, and particularly to central Canada, because of the use of a vast quantity of coal and the extent to which electricity is taking the place of coal for power purposes and domestic use, both urban and rural. The development of hydro electric power, the extent of its use, and its successful transmission for long distances, is one of the remarkable developments of the last quarter of a century. A few years ago there was considerable anxiety with regard to the question whether a sale could be found for the large volume of power the development of which had been undertaken and was assured. Any fears in this direction have been entirely dispelled by the constantly increasing use of electricity for so many purposes, and the difficulty that now presents itself is to meet the demand, which has overtaken and overrun the supply. If there is any national asset which with peculiar advantage may be retained and developed for the Canadian people, it is hydro electric power.

The passing of an order in council under the provisions of the Electricity and Fluid Exportation Act imposing an export duty of $1.95 per horse power per year raises the question as to what our policy should be. On a previous occasion I pointed out to this House the importance of this matter and urged that hydro electric power should not be exported but should be retained for the use of our people, the development of our natural resources, and industrial enterprise. At that time I was speaking with particular reference to the proposed development on the St. Lawrence, and urged that this government approve the plans filed by the Hydro Electric Power Commission of Ontario and allow the province to proceed at once with this new development to furnish power to supply a shortage which already existed and to meet the demands upon the Ontario system. I now wish to repeat that request and to condemn the imposition of an export duty. We should not, Mr. Speaker, export our power at all If export is now allowed difficulties will develop when we find it necessary to discontinue the export. Contracts will have been made and vested rights acquired, and many objections will be urged against the cancellation of export licenses.

Our experience in connection with the diversion of water by the Chicago drainage canal, made without permission or license, has been very unfortunate and has led to years of expensive controversy between Canada and the United States. A severe lowering of the level of our lakes and harbours has taken place because of this unauthorized diversion, with millions of dollars of consequent loss to shippers and a large expenditure of public money in deepening the channels of navigation and our harbours. The end is not yet. We must wait for years before conditions become normal, and in the meantime make additional large expenditures of public money. The complications that are sure to develop in the export of hydro electric power are likely to cause a situation equally serious and difficult of adjustment. Let us take warning from our past experience and avoid future difficulty by preserving this asset intact for the benefit of Canadian agriculture, Canadian industry, Canadian labour and Canadian railways.

A similar policy should be adopted in connection with our pulpwood, either by the imposition of an embargo, or perhaps better still by a good stiff export duty, increasing

from year to year. And the same with our asbestos and our mineral products.

We have heard a great deal, Mr. Speaker, about conditions in Canada. We have heard it urged by some that conditions are not satisfactory, that we are not prospering. Others have controverted that and said that we are doing pretty well, after all. Well, you can imagine the effect that a two-hour address by the Minister of Labour (Mr. Murdock) would have on a man who is out of work and seeking employment. You can understand how far his address would go towards giving a man in those circumstances satisfaction.

What is really wrong with Canada at the present time, because I think we all admit that conditions are not as they should be? What is really wrong with us, after all? We are suffering from dislocation of business and general confusion following the war. For this the government is not to be held entirely responsible, but the government must be held responsible for its failure to take such action as is best calculated to overcome these handicaps. Canada is debilitated, run down, weak hearted, because of her repeated overdoses of tariff reduction. We need the stimulus that has been adopted by nearly every other civilized nation since the war, namely, the adoption of a policy of preserving the home market for our own population. Canada stands alone as the one nation adopting the opposite course of opening her markets to foreign competition from highly protected countries, from whose markets we are excluded. It will not be a cure for all our troubles and all our difficulties, but it is a first step necessary to restore confidence and give employment, and stop the exodus of our best workmen and young men from Canada. What does Canada really need at the present time? I have a few headings here which I think will suggest a good deal to the hon. members of this House.

First, we need thrift on the part of the Canadian people. Second, we need economy by all governments, federal, provincial and municipal. Third, we need the adoption of a proper tariff policy and stabilization of our tariff. Fourth, we need readjustment of railway rates and removal of duplication in our railway services. Fifth, we need a readjustment of taxation, particularly income and sales taxes.

Now with regard to the first item, thrift. A great many people in Canada are suffering to-day because of extravagance and unnecessary expenditure. I am afraid the Canadian people have to a large extent forgotten how to be thrifty as our ancestors were. The people of the older countries, particularly Scotland, knew how to be thrifty, and they practised thrift to their own good and to the national advantage. Thrift keeps people out of debt; it makes them independent; it gives them confidence and courage; it enables them to meet unexpected reverses. Economy on the part of governments is necessary. Governments, just like the people, have lost perhaps a sense of economy in large measure. In the old days the idea was that to be popular a government must be a spending government, but Mr. Speaker, for the next few years the government that will make good with the Canadian people will not be a spending government, but a government that practises economy, a government that sets aside all unnecessary public expenditure and that calls upon those who are demanding it to wait until we are in a better condition. This government pretends that it is practising economy. It has not succeeded in any large measure. I think when you look at the large number of commissions it has appointed, you will find that there is a failure to practise economy. What about the pulpwood commission that cost Canada $75,000, and that has enabled the government to dodge this question and that brought about no practical result? What about the grain commission that cost us $170,000? What about the abortive lake freights investigation that cost $41,000? What about the ocean rates investigation by Mr. Preston, which report has finally been discarded and a contract made entirely independent of it? What about the purchase of the Union club for $2,000,000? What about the purchase of the Scribe hotel for $3,000,000? What about the raising of the Auditor General's salary from $6,500 to $15,000? And so on with a large number of other items I could mention. When the supplementary estimates come down, if, as last year, they disclose a large expenditure on public works, we shall find there very little evidence of economy on the part of this government.

I spoke of the adoption of a proper tariff policy for this country, a tariff policy that keeps our workmen at home, and that preserves our home market for our own farmers and our own people. I have gone into the question of the railway rates and the readjustment of taxation.

The government claims that we are prosperous in Canada. The Prime Minister spoke about two hours quoting statistics, and I think he must have been convinced that he had failed to satisfy the members of this House and the people of Canada because the Minister of Labour spent another two hours

9 p.m.

endeavouring to accomplish the same result. I would point out, Mr. Speaker, to this government some of the things that I think most clearly indicate a lack of prosperity in Canada. First, our falling revenue. There has been a decrease in the revenue as compared with last year of approximately $52,000,000, partly due, undoubtedly, to a reduction in the sales tax and the lowering of duties. The Acting Minister of Finance last year estimated that our loss of revenue in this direction would amount to about $24,000,000, but it is double that amount showing that there is a falling off in the volume of business from which the revenues of this country are to be derived. There is a decrease in the amount received from income tax in 1922 as compared with 1924 of about 31 per cent. There is a decrease in the gross railway earnings for 1923-24 of the two national systems. In the case of the Canadian Pacific the decrease is about $14,000,000, and in the case of the Canadian National Railways about $17,000,000. Is there any evidence of prosperity in these decreases? Then there is a continued exodus to the United States annually of at least 150,000 of our best people, of which number only about one in four return.

These, I submit, Mr. Speaker are facts which show that Canada is not prospering as we would like it to prosper, but that on the contrary it is going in an opposite direction. Prosperity is its own best witness, and when it comes to Canada all the Canadian people will recognize it and gladly welcome it. We shall not require long speeches by ministers of the crown to let us know when it is here. Prosperity will not come under an administration such as we have had for the last three years under the present government. Its policy has no stability upon any vital issue, particularly upon the tariff. The government's policy has been sessional, it has gone forward and then backward; it has stood still; it has sidestepped, wobbled, and pussyfooted until it has become dazed and confused, and does not know in which direction to move. It has introduced anti-dumping legislation, and then has itself dumped its own legislation. But the great dumping act will take place at the next election when the Canadian people dump this government. Some people will vote against it because it has not fulfilled its pledges; others will vote against it because it has tinkered with the tariff—sometimes raising it, sometimes lowering it, sometimes pausing in its programme of ringing the death knell of protection, and now proposing a commission behind which to take refuge for at least another session; others will vote against it because it has muddled our finances and increased our taxes and public debt; workmen will vote against it because many of their number are out of work and others have been forced to emigrate to the United States to secure employment; capital will vote against it because it has destroyed confidence; farmers will vote against it because it has refused their reasonable request for a fair measure of protection against the large volume of products of the United States, and because they are in a large measure losing their home market. The government's sole desire has been to retain power at the expense of principle. In its confusion it does not know what to do, how to lead. Prosperity will come in Canada when we adopt a sane, stable tariff policy that will protect agriculture, labour, industry and capital, and will give to the hundreds of thousands of Canadian workmen employment in Canada instead of in the United States. Prosperity will come when we adopt a policy that will preserve our forests and our resources of field, mine and water-power for the benefit of Canadians and those who may desire to become Canadians. This policy will solve our immigration problem by retaining our own people and attracting desirable immigrants. By doing this and providing additional freight for our railways deficits will disappear, and our burden of taxation will be lightened. The Canadian people are longing for the adoption of this policy, and realize that they must look not to the present government but to a new government with courage, with capacity and with determination to face the present difficult situation fairly and squarely.

Mr. PUTNAM: I understood from the hon. gentleman's remarks that he conceived that the Canadian people at the last general election had voted for a downward trend in the tariff; is that his view?

Mr. STEWART (Leeds): I did not say that. I said that the government had promised a downward revision of the tariff, and I added that it had not fulfilled its pledge. I want to say further that not only did the government appeal for votes on a downward revision of the tariff, but there are hon. gentlemen sitting on the government side because they ran on a policy of a higher tariff—it was a case of one policy here and another policy there; anything at all in order that they might be elected.

Mr. PUTNAM: The hon. gentleman distinctly and in terms said that the government was elected on the platform of a downward tariff.

Some hon. MEMBERS: Order.

Mr. STEWART (Leeds): I said the government secured votes on that issue and undoubtedly it did secure some.

Mr. PUTNAM: You said it was elected on that platform.

Mr. STEWART (Leeds): It was elected on anything and everything.

Mr. PUTNAM: You have changed what you said.

Mr. STEWART (Leeds): It was elected on inconsistent promises—promises here and promises there; high tariff and low tariff, free trade, a tariff for revenue, anything under heaven to get votes. The hon. gentleman knows that.

Mr. PUTNAM: I must thank you for your frank answer.

Mr. STEWART (Leeds): When interrupted I was just about to conclude. I was saying that what we needed in Canada was a sane, stable tariff—a tariff that protected industry, that protected capital, that protected labour, and that preserved our natural resources and developed them up to the last point for the Canadian people.

Mr. PUTNAM: How?

Mr. STEWART (Leeds): By using them at home and not sending the raw material to the United States as is the case now; by keeping the home market for the Canadian farmer, by keeping out the many million dollars' worth of farm products that are coming into this country—

Mr. PUTNAM: How high would you go?

Mr. STEWART (Leeds): —just in the same way as the government is protecting the coal industry in the Maritime provinces and for which policy I presume the hon. gentleman is going to vote in connection with this budget. Such a policy, Mr. Speaker, is outlined in the resolution of the right hon. leader of the opposition and which I hope will be discussed at length before the end of this session.

I am convinced, Mr. Speaker, that the budget proposals do not meet the present requirements of Canada, or promise any relief from our present taxation; that the financial statement presented is confusing and misleading; that our debt is increasing altogether too rapidly; and for these reasons I intend to support the amendment of the hon. member for West York (Sir Henry Drayton).

Mr. T. H. McCONICA (Battleford): Mr. Speaker, the first matter that naturally presents itself in this discussion is the amendment by the hon. member for West York (Sir Henry Drayton). That amendment recites that conditions in Canada demand a reduction of taxation, especially of the sales tax, and deplores the fact that the financial statement does not show the economy necessary to enable the government to do this. I apprehend that we are all agreed that a reduction of taxation is desirable, that it is a "consummation devoutly to be wished"; on this point we are all in accord. While this is true, Mr. Speaker, I have a theory that the Canadian taxpayer gets more value for the dollar he pays the tax gatherer than for any other dollar that passes through his hands. I believe that is true. I believe that he gets the most substantial value—in the way of items that are inestimable and beyond price—for the money he pays the tax gatherer. The great burden of taxation is represented in the amount paid for the war debt, for the expenses incidental to that great struggle. When we consider the scope of the catastrophe which we escaped can we rightly estimate what that victory meant to us? Can we, in any way, conceive what would have been the disaster if the victory had gone to the other side and Canada to-day was under the German flag, or the heel of the military despot was on our necks and we were paying reparations beyond all measure while our own obligations were postponed? No, we should pay that tax and pay it thankfully that we had escaped the disaster that threatened us. Do we begrudge the money we pay our wounded soldiers? I think not. I think that tax is a sacred duty and that we pay it willingly. We are told that we are burdened with our railroad deficits, and that is true. We are told that our railroads are overbuilt. We probably do not need them all at the present time; but the time was when these railroads were all needed, when every acre of land that they developed and brought under cultivation was required. During the war we saw long trains sweeping across the prairies and over the mountains loaded with our soldiers, with workmen from China and the Orient, with supplies gathered from all quarters of the earth, with the golden stream that flowed from the prairie provinces

over the prairies across the mountains and over the sea to our soldiers and our allies. Those railways were absolutely necessary; we needed them badly in those dark days, and we could not, in all probability, have succeeded without them. I still think there was something almost providential in the fact that they were built and that the land in the west was developed as it was. No, we needed those railroads then and our railway situation to-day is improving. The condition is far better to-day than it was when I came to this parliament. We are gradually evolving towards the light. I am satisfied that some plan will be arrived at by which the deficit will be met, it may be by the plan of the hon. member for North Waterloo (Mr. Euler), or that of the venerable Nestor of the House (Mr. Maclean), or that of the hon. member for Leeds (Mr. Stewart). The day will come and it is not far distant when we shall meet that deficit. The time will come, in my opinion, very soon when we shall remember those dark days and the memory will be a pleasure to us.

Then we have the tax for the ordinary expenses of the government, a comparatively small portion of our expenditure, not very much more than we spent prior to the war. We have a list of the public utilities and public services rendered in our estimates. We go over them carefully; we look at them individually, and we decide that each one is worth more to the taxpayer than it is costing him; that it would be a distinct loss to the country to discontinue them. The time may come when it will be necessary to discontinue some; but let us remember that Canada is a going concern and that we must not curtail those things the curtailmennt of which will inflict a loss beyond the loss we are suffering in the taxes we are paying. We examine these estimates fairly carefully. It is charged that there is great waste. I do not see just exactly where it is. We look over the estimates; we decide the purpose for which the money shall be expended; we decide the amount that is to be spent, and if there is profligate and extravagant waste, we, as members of this parliament, are responsible for it. We cannot hide behind the skirts of the government. Every man here is responsible if there is wild extravagance in the expenditure for the current demands of the government. I do not think there is such extravagance. It would be a marvel if some money did not get away; but upon the whole, considering the magnitude of the enterprise I am of opinion that it is not very good business to be trying to convince the people that they are being unmercifully taxed and that money is being recklessly squandered. I do not think that is a very patriotic thing to do, and I do not believe it should be done. The people are meeting their obligations manfully. They know they must pay heavy taxes; they realize the condition of the country, and they are meeting their taxes with little grumbling. We hear more of it in this House than we hear anywhere else. More fuss is made in one day here about taxes than in Saskatchewan in a year, and I do not think it is patriotic to perpetuate this sort of propaganda.

But our friends to the right tell us that a reduction of taxation is desirable, and we agree with them. How do they propose to bring this about? Take a dollar off the sales tax and add four dollars to the indirect taxation! Take a penny off a man's tax bill and add a pound to the cost of his coat, for it takes four dollars paid by the consumer to put one dollar into the treasury. If we take a dollar off the sales tax, we must make it up by the tariff, and we pay four dollars to make up the deficit. That is not the kind of taxation relief that the country needs, and I do not believe the taxpayers are looking for that sort of benefit. This is like the relief which the vulture gives to the lamb when he covers and devours it. Four dollars on for one taken off! That is the philosophy of our protectionist friends.

To what end is this to be done. In order that we may keep our manufacturers busy. What is the trouble with our manufacturing enterprises to-day? Is it that the home market has gone? Why, our imports fell off by the million last year. If there is any market here, we have it for our manufactures. The trouble with the protective proposition is that the thing has undermined itself. It has sapped the purchasing power of the country until our workmen are living from hand to mouth in rented houses, our salaried men are just able to live, our farmers are working on mortgaged farms with impaired and worn out equipment, and there is no purchasing power. You may galvanize it with all the high protection imaginable, and you cannot sell a single dollar's worth of goods more than you are selling to-day. The trouble is not that our factories cannot manufacture under the present tariff. The only trouble is that they cannot sell. They tell us that we are over-industrialized. I suspect we are. We are told also that money is not being invested in manufacturing enterprises. Certainly it is not; it was not before the change in the tariff. It has not been invested in manufacturing enterprises since the war, and there is no call for it.

I was rather interested in the pathetic story told by the hon. member for Vancouver Centre (Mr. Stevens) in his speech on the Address. He told us that there were large amounts of iron ore within half a day's ride of Vancouver, and large quantities of splendid coking coal in the immediate vicinity. He intimated that if it had not been for the reduction in the tariff there would have been iron mills and steel plants out there and that country would have blossomed into a hive of industry. I do not doubt that these minerals exist. I have no reason to question the hon. gentleman's accuracy on that point. I have no doubt they are there, and they have been there for some time. They were put there before the morning stars sang together, and for fifty years we have had a tariff, and during much of that time we have had a bounty on steel; during a great part of that time we had in power a party in favour of increasing the tariff if asked to do so. And yet during all those fifty years not a ton of that ore was smelted and not a ton of that coal found its way into a blast furnace; yet the hon. gentleman would have us understand that if we had not taken just a shaving off the tariff at that particular time, just an infinitesimal amount, that whole country would have blossomed into a busy hive of industry, the hillsides would have been speckled with workmen and the valleys would rumble with rolling mills and great fumes of black smoke would be shooting up from those factories until they had tarnished the very stars of heaven. But that little change was made in the tariff, and that stopped the whole proceeding. Now, Mr. Speaker, if that enterprise was so weak and wabbly that that trifling change in the tariff was going to kill it, it was better that it should stop in embryo, in my opinion,—better that it should have stopped before it was born; otherwise we would have had another lame duck on our hands asking for more protection.

It is said that no money is now going into new plants, and yet we are told that just across the river a new concern is to be started, with a capital of $27,000,000, quite a considerable amount, more money than I have seen for a month. They are going to start manufacturing, and they are going to employ Canadian workmen. They are going to use Canadian raw materials and Canadian power. They are going to compete with the pauper labour of Europe and the massed production of the United States. They are going to turn out goods and sell them in the markets of the world. That is the kind of factories we need. What they can do others can do. As the hon. member for Leeds (Mr. Stewart) said, electrical power in this country is the great attraction. Now, why under heaven manufacturing cannot be carried on in Canada where we have an abundance of the cheapest and best power in the world, and more that can be developed easily is difficult to understand. Why we cannot manufacture with the raw material at hand, with the best workmen, or as good workmen as are to be found in the world, just as skilful, just as industrious and efficient, and why we cannot compete in the markets of the world is something I cannot understand.

If we are to develop a manufacturing nation we must compete in the markets of the world; otherwise we cannot consume the products of all our factories nor the products of our farms. We must have a foreign market, and in order to sell abroad we must buy from abroad. One trade brings another and we cannot simply ship our produce across the ocean and bring back the money. We must take goods in return or else we will find no market. The hon. member for East York (Mr. Maclean) tells us that market gardeners need protection. He would like to protect the market gardener, and starve the people for ten months of the year with the hope that they would eat more during the other two months. But it would not have that effect. The fact that in April or May I eat strawberries that were raised in New Jersey early in the spring is no reason why I will not eat them in July if they are raised in Ontario. A man's dinner is not like his coat. It does not last him three or four years. He must have at least one dinner a day. I have a theory that the market gardener should be supported for the people instead of the people for the market gardener. But that argument is as logical as any of the tariff arguments we hear. The theory is, make the people take what you want to give them and when you want to give it to them, charge them a good round price for it, and if they grumble and object to it they are not patriotic. I will not prolong this argument. I am glad to know it only costs me $2,700 a day and I do not want to pay for very much extra time.

This tariff situation is an important matter. We are going to have a vote on the budget. I do not propose to vote for the amendment. That is quite settled in my mind. Now, how about the budget? My hon. friends to my right are going to vote against it because the tariff is not high enough. My friends to my left are supposed to vote against it because it is too high. If I vote against it and my friends on my right vote against it, are they

voting with me or am I voting with them? Or are we trying to hitch up a team and pull the government from the seat of power, with one horse pulling east and the other pulling west? And if we succeed, who is going to get the credit and who is going to take the responsibility? That is the question I would like to have settled in my mind. What would be the issue in the next campaign if we were to put the government out of office on this vote? Would it mean that we were in favour of a higher tariff or in favour of a lower tariff? That is a question for hon. gentlemen to try and settle one way or the other. I have been thinking it over pretty thoroughly, and I am going to keep on thinking for a little while, and listen to the balance of the discussion.

There are some questions I should like to have threshed out. I think it was a great improvement when they amended the dumping clause. I supported the Progressive amendment with enthusiasm because I especially objected to the dumping clause. That clause, I am glad to see, is to be eliminated. I hope there may be some other eliminations. I am in favour of a lower tariff. I should like to have seen a reduction in tariff at this time not on the items reduced last year but on other items. I believe that we should gradually come down to the point where we have a tariff for revenue. I do not believe we can walk on industrial stilts to the end of time, and get them longer and longer all the time. If we do, we are bound to take a tumble. I believe we should get down to the ground, and stand on a firm foundation where we can manufacture and sell in the markets of the world. I believe we can do that. Until we do, we will not have an industrial Canada.

Mr. CLEMENT ROBITAILLE (Maisonneuve) (Translation): Mr. Speaker, I wish to express my sorrow for the illness of the hon. Minister of Finance (Mr. Fielding), which deprives us of his presence in the House. Even if I must wound the modesty of the hon. Acting Minister of Finance (Mr. Robb), I want to congratulate him and express to him my admiration for the way he administers both the Department of Immigration and the very responsible Department of Finance.

I shall not thresh out the budget; other members better able than I am have clearly shown its nice points and advantages, and the country, I feel sure, is well satisfied.

I cannot pass over in silence the remarks of the hon. member for Kent (Mr. Doucet) in regard to the French language. It is unfortunate, that he was not a member before, he might have been able, perhaps, to infuse in his leaders a few principles of equity and justice towards the French Canadian, for he cannot have forgotten that the province of Quebec had almost always been ignored under the Borden-Meighen government. The hon. member for Kent must not have forgotten that his present leader, when Prime Minister, only invited or was only forced to invite French Canadians into his cabinet in the dying hours of his government; however, the province of Quebec, faithful to its motto, remembers.

The hon. member for Hull (Mr. Fontaine), in the course of this debate, has shown that the present government had always endeavoured to be fair to French Canadians and he gave proofs to support his contentions.

One could add further proofs. For intance, it was a French Canadian that the present government chose to negotiate with the French Republic, on behalf of Canada, a parcel of land which would serve to commemorate the glory of our brothers fallen on the battlefield, and it is you, Mr. Speaker, who obtained from France this grant of land on Vimy ridge.

The hon. member for Hull forgot to mention all the positions to which our people had been appointed and which, perhaps, would be too long to enumerate. He neither mentioned that at the door of every office in this building, we notice, this year, for the first time, bilingual inscriptions engraved on brass plates.

The friends of the hon. member for Kent, have never shown much enthusiasm for our language, if we are to judge from the answer given to the hon. member for Charlevoix-Montmorency (Mr. Casgrain) to questions he put to the government on May 5, 1920:

1. Why is the calendar of the Clerk on the table of the House of Commons in English only?
2. Is it the intention of the government to have also on this table a French calendar?
3. If so, when?
4. If not, why?

Sir George Foster: My reply to the question asked by my hon. friend the member for Charlevoix and Montmorency is this:

In placing that calendar on the table of the House of Commons, traditions of former years since the origin of Confederation until our days have been observed. Under these circumstances, I do not deem it necessary either to replace it with another one or to put another one on the Clerk's desk. What was sufficient for the Fathers of Confederation should surely satisfy us, for we are not less intelligent nor more patriotic than our predecessors.

I think, Sir, that it is befitting to say a few words regarding the political campaign being waged by the friends, old and new, of the right hon. leader of the opposition (Mr. Meighen), in the province of Quebec. Important ques-

tions are being discussed: tariff, British preference, protection, etc. In the "et cetera" is included conscription, of which the right hon. leader of the opposition has proclaimed himself the father. They reproach the 65 members of the province of Quebec for not having this act repealed. Is there a more low and despicable campaign than this one? I think, they are men connected with the law, barristers, who discuss this question in public. They have certainly forgotten an important factor; it is the views of their leader, who for them, is infallible. Allow me to remind them of it. On April 3, 1922, the present Premier (Mr. Mackenzie King) speaking on this question, among other things stated, what follows, which will be found on page 640 of Hansard:

> If the statutes were being revised, Mr. Speaker, the commissioners would simply drop this act altogether. For us to proceed any further would be to take action which is wholly unnecessary.

To the above Mr. Meighen answered immediately:

> Of the correctness of the position taken by the Prime Minister (Mr. Mackenzie King) there is no doubt whatever. The act has no present force and effect; there is no room for legal dispute of any kind on that point. The act plainly applied to the then war, and to no other; it could not by any government be applied to any other emergency, contingency, or war whatsoever. Consequently, on the termination of that war, the act became obliterated so far as actual operation at any time is concerned.

The hon. Speaker put an end to the discussion in the following manner which will be found at page 644 of Hansard:

> In my judgment this discussion is out of order. Any resolution presented in the House must have something positive as to its effect. If a motion is made or a bill introduced with a view to repeal that legislation must be in existence. From the opinions of the Law Officers of the House of Commons and of the Deputy Minister of Justice, and, after the opinion expressed by some of the leaders on both sides, I come to the conclusion that the Military Service Act, 1917, cannot be repealed, because it has exhausted itself, and is considered as non-existent at present in the statutes. Therefore I give it as my opinion that this bill should be dropped and that the discussion should not proceed and I so rule.

In spite of this fact, the friends of the hon. eader of the opposition continue at their neetings, to use this question for purposes of political capital by seeking to lead the people of our province astray. Tariff, protection and national policy are also discussed. What did they do with the tariff when they were in power? Did they alter it? Did they do anything to help trade and the labouring class? No. Yet these gentlemen charge us with ruining the manufacturers. Have the latter to complain of the changes made to the tariff by the present government? Far from complaining they are well satisfied.

Now, we are told that if business is at a standstill it is due to the British preference. In a brief article which appeared a short time ago in the newspaper La Patrie it was stated that the manufacturers of boots and shoes of Maisonneuve, were not satisfied with the figures quoted by the hon. member for St. Denis (Mr. Denis) in his address on the budget, in regard to imports of boots and shoes, and they hoped that I would make the necessary corrections. I wish to state that I have received no protests on the part of the manufacturers of boots and shoes of my electoral division—and you are aware, Sir, that they are numerous—I am further informed that many are not affected by the British preference. Yet, this preferential tariff exists since a number of years—since 1907, I think. We heard of no protests when the Conservatives were in power; it is only within the last few years, since the Liberal party is at the helm of affairs that a great stir is set up in regard to this preferential tariff. I have a few official figures in hand; they are far from gainsaying those of the hon. member for St. Denis. It was thought in certain quarters, that the figures quoted by the hon. member for St. Denis only applied to imports of leather footwear, while in reality they included imports of all kinds of boots and shoes: leather, canvas, rubber and footwear made up of leather and canvas.

However, what is most important to us, what concerns the most our manufacturers and our leather workers, is to know exactly the figures of imports in leather footwear, that get the benefit of this preferential tariff. I have before me the statistics of the Department of Trade and Commerce which give the following figures for each fiscal year: 1914, imports $4,349,587—no mention is made of the years 1914 to 1918, they are exceptional years; 1918, imports $3,179,138; 1920, $2,731,-591; 1921, $2,200,121; 1922, $1,338,775; 1923, $1,220,734; 1924, $1,546,216. Well, Sir, if figures speak, it is certain that the criticisms of our opponents are uncalled for when they state in our manufacturing centres, that the Liberal government's policy is on the eve of closing up all the factories. Far from closing their doors, our factories are working quite normally. I understand that quite a number of people are out of work; but if the boot and shoe manufacturers are unable to operate

their factories to their full capacity it is clear the preference tariff in vigour since 1907 is not to be blamed for it, as we are importing to-day far less goods from England than in 1914 and in the following years; it is rather due to the overproduction in evidence under the extravagant administration of our adversaries. Moreover, these imports are bound to decline, on account of the pound sterling being now at par.

Allow me, however, to make a suggestion. I understand that if we favour the importation of British goods it is certainly not for the sake of the mother country, it is because we have mutual trade relations, and we grant certain advantages to England because we are getting something in return. Now, under the Act at present in force, imported goods must contain at least 25 per cent workmanship and material of British origin, whilst Australia demands that at least 50 per cent of the workmanship and material be of British origin. I submit, Mr. Speaker, that we would do well to raise our ratio to 50 per cent at least.

The necessity for economy is another point insisted on by our opponents in the cities. They falsely contend that economy is not practised by this government. It is all very well for them to urge economy! It is all very well for these gentlemen to say: Do as I tell you and not as we do or have done. After squandering millions and billions, they now advocate economy! What they have saved does not amount to much, unless it be daylight, through their daylight saving enactments.

Now, Sir, I shall take the liberty to point out an anomaly in the Income Tax Act: it is that the consorts under the community of property clause are less favoured than those whose regime is separation of property. The incomes of consorts living under the community of property clause are considered as forming a whole, while those of consorts married under the separation clause are figured separately. In the last instance, the husband and wife benefit by the statutory exemption while the consorts living under the community regime are entitled to a single exemption.

I am of opinion, Mr. Speaker, that the present discrimination that is being made in connection with the income tax of Public Utility Companies providing gas and electricity should be done away with. Private companies are made to pay the tax while public ownership companies, like the Hydro-Electric of Ontario go scot-free. This is a disadvantage for the labouring class and citizens at large of Montreal and other cities similarly situated, since private companies invariably recoup themselves at the expense of the consumer.

Of course, taxes of whatever nature they may be, are not popular, and a further grievance is the lien retained by the government on the property of tax-payers in arrears. I think the government would perform an act of justice if it would cancel this section of the act which may be detrimental to the real estate business.

In conclusion, Mr. Speaker, I submit that the government would be well advised to establish a free section in the port of Montreal. That would be a great help to promote trade. If the plan proved profitable, a free section might be provided in the other harbours. I think these recommendations should be considered by the government, and I am satisfied that if carried out they would greatly further the progress of our country.

Mr. G. G. COOTE (Macleod): Mr. Speaker, my chief reason for taking any part in this budget debate is a desire to place before the House and before the country the present condition of the farming industry in western Canada. I want to deal with the question as it affects western Canada particularly, because I do not pretend to be very familiar with conditions in eastern Canada. I make no apology for discussing this particular industry, because I think it is the most important in Canada. It employs more capital than any other industry in this country; it gives employment to more people; it provides the greater proportion of our exports. The hon. member for Vancouver South (Mr. Ladner), speaking a few days ago, referred to the amount of our export of agricultural produce. I think there was some mistake in the figures which he quoted. I have here a table taken from the trade report showing just what part agriculture plays in the matter of our total exports; I will not read this statement, but if I have the permission of the House I would like to place it on Hansard.

The statement is as follows:

Exports

	1921	1922	1923	1924
Wheat, bushels	129,215,157	136,489,238	215,074,566	256,870,237
Wheat value	$310,952,138	$179,990,730	$252,145,805	$267,758,559
Flour, value	66,520,490	53,478,150	60,075,426	62,783,118
Total wheat and flour	$377,472,628	$233,468,880	$312,221,231	$330,541,677
Total grains and farinaceous products	$418,394,620	$272,021,473	$350,640,813	$363,608,617
Field crops				$409,898,382
Animal industry				93,493,020
Total Canadian farm products				$503,391,402
Foreign farm products				24,416,226
Wild life origin				18,426,213
Marine origin				30,988,812
Forest origin				273,603,598
Mineral origin				170,686,286
Mixed origin				23,838,519
				$1,045,351,656

It will be seen from this statement that our total exports were $1,045,000,000 odd. Of that amount the export of wheat and flour was valued at $330,541,000. Wheat and wheat flour together constitute 31 per cent, Canadian field crops 40 per cent and Canadian farm products 48 per cent of our total exports. That shows that agriculture plays a larger part in providing the exports from this country than any other industry.

Agriculture is very important also to our manufacturing industries in Canada. I have a statement here, copied from the Canada Year Book for 1922-23, giving the value of the products of forty of the leading industries in Canada, and the following will show the value of the products of the first four of these industries:

	Value of Product
Slaughtering and meat packing	$ 240,000,000
Flour and grist mills	239,000,000
Pulp and paper	236,000,000
Lumber, lath and shingles	207,000,000

These first two industries are entirely dependent upon our agricultural industry. I believe there is a general impression throughout Canada that a big crop or a big yield means prosperity to the farmer or to the man producing the commodity in question. The Right Hon. Mr. Fielding, I think, made a statement, two years ago, that one or two good crops would mend conditions in western Canada. Well, we have had two of the biggest crops western Canada ever had; 1922 and 1923 were two of the best years we have ever seen in that part of the country, but the conditions there are not yet anything like ideal. I have before me an article from the Financial Post headed, 'A half size crop but more revenue in Saskatchewan". It goes on to show that the proceeds from this year's crop are practically the same as those from the crop of 1923, although the yield is only half what it was in that year. I have another article from the same paper—and I like to quote articles from the Financial Post because it is generally highly regarded by many who are not engaged in the farming industry. This article is headed, "Farmers' profit based on prices more than yield". It goes on to show that in some of the years when the farmers have had the smallest crop they have had the largest financial returns. Let me read just the last two sentences of this article. It says:

> Comparing the years 1920 and 1922, we find that in 1920 the total value of agricultural products was $550,641,471 while in 1922 it was $505,318,966, although in the latter year the wheat yield was 250,167,000 bushels, or very nearly two and one-half times as great as in 1920. Taking the years 1919 and 1921, the figures furnish the same undeniable proof that it is the price and not the volume of production which makes for prosperity in agriculture. In 1921 the farmers' total income was $444,937,773, the smallest during the five years, but the wheat yield amounted to 201,347,483 bushels as against only 89,993,685 in 1919.

We have often heard in this House and we have often read in the press statements regarding the cost of producing wheat in Canada and in the United States as found by the United States Tariff Commission. This commission made a very extensive inquiry to determine the cost of producing wheat in both countries, and I think it would be interesting to this House to know something of what that commission did report.

I have here another article, again from the Financial Post. It is headed, "Costs ninety-one cents to grow bushel of western wheat, but there are objections to calculations of United States expert." It goes on to say:

> It cost according to the Tariff Commission of the United States which spent a good many thousand

dollars to find out, 91 cents a bushel to grow wheat in western Canada in the three years from 1921 to 1923 inclusive. That is the cost of wheat at the elevator.

Further on it says:

But next you have to make an adjustment on account of taxes. Taxes were left out of consideration by the Tariff Commission, but they can in no wise be left out of the calculations of the farmer. You can estimate those for the period reviewed by the commission at from five to ten cents a bushel to be added to the 91 cents.

Further on, after drawing attention to some other discrepancies in this report, it says:

Let us call it one dollar a bushel, and to recall the statement that many farmers have repeatedly made in the past two years, that if they could be assured of a dollar a bushel net at the elevator for their wheat, before paying handling and transportation charges, they would be content.

I have here a statement prepared by the Bureau of Statistics, showing that the farmers of the three western provinces produced in the years 1921, 1922 and 1923, 1,107,552,000 bushels of wheat, and that they received for that $826,376,000. Now the total production as I have stated was 1,107,552,000 bushels, and taking the cost price at $1 per bushel, as figured out by the Financial Post, it gives you a production cost of $1,107,552,000. If you deduct from that the $826,376,000 that the farmers received, you will find that the farmers of the three prairie provinces lost in those three years in the production of their wheat crop $281,176,000.

We have heard a good deal, Mr. Speaker, of the losses that some of our other industries have sustained, but I would like to know whether any one of them has sustained such a loss in its production as the farmers in western Canada on their wheat crop.

If you object to these figures in the Financial Post, and take rather those as set out by the Tariff Commission, of 91 cents a bushel, you find that the farmers of the three prairie provinces lost in the production of those three crops $181,496,320.

I have here a statement taken from an immigration pamphlet issued by this government. It is entitled "Canada, the New Homeland," and is issued by the department of the hon. the Minister of Immigration. It says in part:

Evidence was given in 1923 before the United States Tariff Commission to show that the Canadian farmer was able to produce a bushel of wheat for 46 cents less than the United States farmer. The per bushel cost in the United States in that year was $1.49; in Canada $1.03.

In 1923, according to the statement of the Bureau of Statistics, we produced 452,260,000 bushels of wheat. At $1.03 a bushel the cost of production of our total crop that year was $465,827,800. The amount that the farmers received for this crop, as given by the Bureau of Statistics, was $294,686,000, showing a loss to the farmers on their wheat production for 1923 of $171,141,800. I would not like to say that this statement of the Immigration department was right, but on the other hand, I do not think they have overstated the case. I do not think it can be fairly shown that wheat can be produced for less than the cost per bushel which they give here. This article which I have taken from the Financial Post goes on to say that the writer started out on his calculations with the spending power of the farmer in mind. He says:

We have calculated away the profit or devoted it to the payment of debts. Has the farmer's purchasing power vanished in the calculation? Not at all. It is the current turnover of this business of farming that is important.

In what other business, Mr. Speaker, is the turnover considered as important? In every industry discussed in this House, it seems to me, except agriculture, it is the profits that are the determining factor. If profits can be made and dividends paid, that is the supreme end to be attained, but according to these financial papers, with agriculture it is different. The important thing, it says here, is the turnover. It says:

A business with a total cash return of $350,000,000 is a pretty important thing to other business even if the whole receipts are eaten up in the living of the proprietors and their families, and the upkeep of their establishments. You do not calculate the importance of an industry to the country by the amount of dividends drawn out.

I hope when we come to discuss some of the other industries in this House that point will be borne in mind, but I have never seen that statement in the Financial Post or in any other financial journal in regard to any industry except agriculture, and it cannot be wondered at by financial men in this country that the farmers finally decided to send farmers down here to speak for them in this House, and demand of this House a little bit of fair play. It says further on:

The business is going on again next year.

That is the business of producing wheat, whether produced at a profit or a loss:

The business is going on again next year, again with a necessary turnover of from three hundred to three hundred and fifty million dollars. Some debts paid off this year will simply mean the re-establishment of credit for another year's operations. Make all allowances necessary for such purely financial transactions as are involved in the purchase of land and the payment of interest on mortgages and debts and you come to the conclusion that the business of raising wheat in western Canada involves the expenditure on actual purchases of merchandise and

material of from two hundred to two hundred and fifty million dollars.

How those expenditures are likely to be distributed is another story, but at least it is clear that there is big business here.

It is quite clear, Mr. Speaker, that there is big business here, whether or not there are any big profits. I want you to notice just what the writer stated, that the business of raising wheat in western Canada involves the expenditure on actual purchases of merchandise and material of from two hundred to two hundred and fifty million dollars.

Compare that with the actual receipts to the farmers which were in 1921, $219,000,000, in 1922, $312,000,000, in 1923, $294,000,000.

I expect, Mr. Speaker, that some hon. gentleman will ask, what about the crop of 1924?—we heard you got $2 a bushel for it. I have tried to figure out the cost of producing the crop of 1924 by the same method as was employed by the United States Tariff Commission, and to the best of my ability I find that it cost about $1.15 to $1.20 a bushel to produce the 1924 crop. I find from the statement furnished by the Bureau of Statistics that the farmers of Manitoba netted $1.24 per bushel, those of Saskatchewan $1.21 per bushel, and those of Alberta $1.20 per bushel. I should like to have the permission of the House to place on Hansard these two statements furnished by the bureau:

10 p.m.

Area, Yield and Value of Wheat in the Prairie Provinces, 1924

Province	Area acres	Yield per acre bush.	Total yield bush.	Average price	Total value
Manitoba	2,459,408	16.9	41,464,000	$1.24	$ 51,415,000
Saskatchewan	13,033,000	10.2	132,918,000	1.21	160,831,000
Alberta	5,573,813	11.0	61,312,000	1.20	73,575,000
Prairie Provinces	21,066,221	....	235,694,000	....	285,821,000

Area, yield and value of wheat in the Prairie Provinces, 1921, 1922 and 1923

Province	Area acres	Yield per acre bush.	Total yield bush.	Average price	Total value
Manitoba—					
1921	3,501,217	11.2	39,054,000	$0.91	$35,539,000
1922	3,125,556	19.3	60,051,000	0.83	49,842,000
1923	2,915,915	12.3	35,804,000	0.67	23,989,000
Saskatchewan—					
1921	13,556,708	13.8	188,000,000	0.76	142,880,000
1922	12,332,297	20.3	250,167,000	0.85	212,642,000
1923	12,791,000	21.3	271,622,000	0.65	176,554,000
Alberta—					
1921	5,123,404	10.4	53,044,000	0.77	40,756,000
1922	5,765,595	11.3	64,976,000	0.77	50,031,000
1923	5,172,643	28.0	144,834,000	0.65	94,143,000
Prairies Provinces—					
1921	22,181,329	....	280,098,000	....	219,175,000
1922	21,223,448	....	375,194,000	....	312,515,000
1923	20,879,558	....	452,260,000	....	294,686,000
			1,107,552,000		$826,376,000

In order to present to the House the prices received by western farmers as compared with those paid to farmers in other parts of Canada I should like to place another statement on Hansard if I have the desired permission. It shows the price of wheat, oats, barley, hay and clover received in the provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia:

Average price per bushel received by farmers in different provinces, crop 1923

Wheat—	
Quebec	$1 47
Ontario	97
Manitoba	67
Alberta	65
British Columbia	1 20
Oats—	
Quebec	57
Ontario	44
Manitoba	30
Alberta	24
British Columbia	62
Barley—	
Quebec	91
Ontario	60
Manitoba	37
Alberta	33
British Columbia	82
Hay and Clover—	Per ton
Quebec	$11 00
Ontario	10 80
Manitoba	8 00
Alberta	6 00
British Columbia	20 25

The price received for wheat is indicative of the prices received for all commodities.

It will be noticed that the price of wheat in Quebec was $1.47, in Ontario 97 cents, in Manitoba 67 cents, in Alberta 65 cents, and in British Columbia $1.20. I should now like to have placed upon the record a statement showing the prices paid for fat steers, fat cows, and hogs in Montreal, Toronto, Winnipeg and Calgary. Given in that order they are:

	Best steers per hundred pounds
Montreal	$6 16
Toronto	7 04
Winnipeg	4 57
Calgary	4 53

I should like you to note, Mr. Speaker, that there is a difference of about $2.50 per hundred pounds between the price received in the east and that received in the west.

Mr. MARLER: What accounts for the difference between the Montreal price and the Toronto price? My reason for asking the question is that I am very much interested in the subject.

Mr. COOTE: I would not like to account for the difference; I am not well enough acquainted with the conditions in the east.

Mr. MARLER: There is a difference of about $2 is there not?

Mr. COOTE: No, the difference is about 90 cents. The price given is $6.16 in Montreal and $7.04 in Toronto.

Mr. MARLER: I would think that the price would be more in Montreal than in Toronto?

Mr. COOTE: Yes, if the home market fixes the price it ought to be better in Montreal. But possibly the price is regulated by a packers' combine. Now as to the price of cows:

	Per hundred pounds
Montreal	$4 55
Toronto	4 25

There the condition is reversed; 25 cents more is paid in Montreal.

Winnipeg	$3 30
Calgary	2 90

Select hogs:

	Per hundred pounds
Montreal	$10 09
Toronto	10 12
Winnipeg	8 67
Calgary	8 55

I am giving these prices, Mr. Speaker, in order to impress upon the House the difficulties which the farmers of western Canada are confronted with.

Mr. STEVENS: Will the hon. member give the authority for his information and the dates?

Mr. COOTE: Yes, this information is taken from the Monthly Bulletin of Agricultural Statistics issued in January, 1925, and the prices are for December, 1924. The former statement which I gave is taken from the same bulletin, January, 1925. Then from the bulletin issued in February, 1925, I shall quote figures to show the difference in price of farmers' produce to-day as compared with 1915:

Alberta—	1915	1924
Horses	113	38
Milch cows	69	38
Other cattle	49	23
Total cattle	53	27
Sheep	8	10
Swine	13	12

The only live stock which show an increase in price in that time are sheep. In all other classes there is a very big decrease, particularly in cattle, the price for total cattle dropping from an average value of $53 to an average value of $27. To further impress upon the House the position of the man who is producing cattle in western Canada and the loss which he has taken, I may say that the average value of cattle exported from Canada to the United States in 1921 was $73 per head. In the year 1922, the average value had dropped to $23 per head. I have not the publication from which those figures are taken but they were published in one of the government reports issued a year ago.

Mr. MARLER: Could my hon. friend point out to those who desire to try and get some knowledge of this subject what his reasons are for this drop in price? I am merely asking for information not to combat my hon. friend's statement.

Mr. COOTE: There are quite a variety of causes. The chief one was I think, the deflation which hit us in the year 1921; then a poor crop which made feed very scarce. The western farmer in many instances as a consequence was compelled to sacrifice his cattle because he did not have feed for them. In other cases he was forced to sell—either by banks, loan companies or some other creditors—and there seemed to be nothing to uphold the market. Prices went down until one-half the cattle were sold for their value for canning purposes.

Mr. LEWIS: Was there about the same kind of cattle in 1921 as in 1922?

Mr. COOTE: No, I think the class exported in 1922 were not quite as good as those exported in 1921, I should say that in all fair-

ness. The reason for that was, as I say, that in 1922 cattle were being forced out of the farmer's hands on to the market for a variety of reasons. Many of these cattle of course, were young and not finished, and that partially accounts for the big decrease. The increase in duty under the Fordney tariff, or the emergency tariff that was in force I think at that time, was also very largely responsible. We had the home market to ourselves, as an hon. member sitting near me suggests, but the home market was not sufficient to absorb the production.

I have here a little item from the report of the telephone department of the government of Alberta for the year just ended and I think it will give some indication of the condition of the farmers in Alberta at the present time. In the year 1923 we had the biggest crop in our history, but it would be along in the year of 1924 before a great many of those farmers would have received the value of that crop so that its purchasing power could be felt. In 1924 although we had a short crop the price was the biggest we had received since the closing of the war. Yet I find that in the year 1924 there was a drop of $4,508 in rural phone revenue; a total of 1,937 rural phones were removed during the year; and 1,318 phones were added showing a net loss of 619 rural phones. In exchange phones there was a net gain of 904 during the year, showing the difference in the condition between urban and rural districts. There is now a total of 54,000 phones in use of which 20,000 are rural. There are said to be 75,000 farms in Alberta, so that apparently less than one-third of those farms can afford to own a phone. Now, this certainly shows the reverse of prosperity after having had in 1923 the biggest crop that Alberta ever produced, a bigger one than we may naturally hope to produce for some years to come. Just what use is there in this country deluding itself with the idea, in the face of these actual conditions, that the farmers in the west are overburdened with prosperity? I am not expressing my opinions here; I am trying to give some actual facts to this House. I sometimes think this is useless because, as a rule, the budget speech of a back-bencher like myself is not listened to with very much attention. I am a little surprised that somebody has not already risen and suggested that we should try mixed farming. I have endeavoured to show this House that there is very little hope for the farmer in raising cattle. We have increased our production of butter in Alberta during the last year when I find the production was 21,500,000 pounds as compared with 17,800,000 pounds in 1923. I remember, about a year ago, being told that our trouble in the west was that we were all grain farmers and that we did not keep any milch cows or poultry or pigs on the farm. I was a little surprised the other day to find that Alberta now stands second, I think, of the provinces with reference to the number of poultry on farms, the average number in that province being 80 as compared with Canada's average of 63.9. I also notice that Alberta's egg exports grew 33 per cent during 1924. I have figures here, but I will not take time to read them to the House showing that the total grain crops last year were less than one-half the value of our agricultural production. Therefore, hon. members will see that the Alberta farmers are trying, not only grain raising, but any avenue of production that they feel is open to them at all. The question will naturally arise, how the farmers can go on producing wheat at a loss, as I have already shown in my statement tonight. The first reason is that they are working for less than a living wage. Not only that, but the wife is helping to earn the living. She is trying to keep things going by raising poultry and milking cows. If there are any children in the family, they are pressed into service and they are encouraged to raise hogs, calves, chickens, and to help to milk the cows. In fact, the whole family must work hard in order to keep the home going. As I go through Canada from one end to the other, it strikes me very often that in no other industry do we see the women helping to earn the living. I remember noticing a statement in a paper here recently in reference to some noted farmer in western Canada who had been to the Old Country, I think under the auspices of the Immigration department. This paper was telling how well this gentleman had done in the west, and I noticed one thing that it stated in reference to his wife was that she had at times cooked for twenty-four men. Any man who has a wife capable of cooking for twenty-four men, helping to earn the living, surely should make some progress. He should be able to make enough to get a trip to the Old Country once in a while.

Mr. STEWART (Argenteuil): Did he take her along?

Mr. COOTE: I believe he did, and I am glad that he did. But there are many women in western Canada who have cooked for a number of men for many years and who are not yet in a position to take a trip to the Old Country. If there is one thing more than another that makes me wish to stay in this farmer's fight for a fair deal, it is the con-

dition of many farm women in western Canada. I have not been to Nova Scotia to see the shacks that the miners are living in there; I believe some of them are very poor affairs; but I have seen people living in shacks in western Canada that, I think, are not any better. Some of these shacks are one-ply of boards covered with tar paper, and both the boards and the tar paper were protected by a very substantial tariff. That is just on the side. I do not want to dwell on this too long, so I must hurry on. One reason why the farmers are able to continue producing at a loss is that the farms are depreciating. Buildings and fences are not being kept in repair and the land is becoming weedy. They cannot afford to hire sufficient help to do all these things. Neither can they afford to buy the necessary paint to keep their buildings painted.

Then, the cost of raising wheat varies in different localities. This statement of the United States Tariff Commission to which I have referred shows that some of this wheat was produced at a cost of about sixty cents per bushel, but in other localities the cost ran as high as $1.40 per bushel. In those districts where they receive more than the average crop, they are able to go on producing under present conditions, but in those districts where they are receiving less than the average crop, the farmers are gradually going deeper into debt. Because so many of these farmers are going into debt and have got into debt in the past through no fault of their own, I want to urge upon the government that one of the first things they should do when this budget is finally disposed of, is to bring down some amendments to the Bankruptcy Act, such as were recommended by the Banking committee last year. The government refused to bring in legislation to give effect to those amendments. I do not know all the reasons that may have deterred the government from bringing in this legislation; but it will cost this government absolutely nothing to bring them in and if they refuse to do so, we are going to lose another few thousand bankrupt farmers who will go to the United States to get rid of their debts. If they were given an opportunity of going through bankruptcy, I think they would remain here, and in time they might again become successful farmers. They are far better citizens for us to have in this country than many of the immigrants brought in from Europe to take their place.

I want to urge the government to revise the Canada Grain Act at this session. The Minister of Trade and Commerce (Mr. Low) I understand—I did not happen to be in the House at the time—stated that he did not intend to proceed with the act this year. I want to urge the government to proceed with that act. I think the present act caused a loss of millions of dollars to the farmers in western Canada last year, and that loss could have been avoided, I believe, under a proper Canada Grain Act. As the hon. member for Humboldt (Mr. Stewart) pointed out the other day, we have large wheat pools operating in western Canada, and the Grain Act, needs some revision to allow these wheat pools to operate fairly with the old grain companies that are doing business there. I do not think this House should prorogue until the Canada Grain Act has been revised, regardless of what else we do.

I wish to urge upon the government some action in reference to establishing a system of rural credits. I am not going to argue the subject because I think it is pretty well understood in this House. But I want to impress upon the government and the House that western farmers cannot continue to carry on under circumstances such as I have pointed out here and pay from 8 to 10 per cent on long term loans and from 8 to 13 per cent on short term loans. But the most pressing thing is the long term loan. Many of our farmers now are just on the very edge of going into bankruptcy or keeping out of it. Some men will say that the farmers have had too much credit, and I will agree that many of them have had too much credit. It has been the ruination of them. But it costs a farmer no more to carry a loan of $8,000 at 5 per cent than to carry a loan of $5,000 at 8 per cent. That is just where the difference comes in. The farmer possibly can make use of two or three thousand dollars if he could obtain it at 6 per cent, but if he has to pay 9 per cent he had better do without it. Many of these farmers are in a position where they now owe the money they obtained by a short term loan at 9 per cent. I mean a four or five year loan. But a man in that situation has very little purchasing power. Every cent he can make must go on the mortgage. I do not think we can do anything in Canada which would stimulate business more than establishing and putting into operation a proper system of rural credit. It would mean a reduction of 2 per cent in the interest rate, and that would be equivalent to three or four cents a bushel added to the price of the wheat. It is pretty difficult for us to devise means of increasing the price of wheat three or four cents a bushel. Two per cent reduction of interest would be

equivalent to that increase. Just here I want to refer to a matter which possibly may seem very small to the Acting Minister of Finance, but I desire once more to urge it upon him; that is that he should abolish the war stamp tax on notes. I have here a statement made to me by a banker in Alberta showing one loan current since 1919, as follows:

> Loan account current since 1919, various amounts which have not been paid and which now aggregate in the neighbourhood of $10,000—total revenue tax $42.89. This loan is in addition to temporary borrowings for current expenditures, et cetera and as the party is unable to pay any part of the loan the revenue tax was added into each renewal thus increasing his loan more rapidly.

I have a statement of another loan current since 1919, various amounts aggregating at the present time in the neighbourhood of $20,000, where the revenue tax amounted to $101.38. I wish to ask the Acting Minister of Finance (Mr. Robb) if he thinks it is a proper method of taxation to tax a man who is hopelessly in debt. We heard a great deal from the hon. member for North Waterloo about the nuisance taxes, and I heartily agree with most of what he said. I believe that we may have to put up with the nuisance tax for a while but surely the tax on notes could be abolished, or reduced to two cents, the same as the tax on receipts. The man who has received payment can afford to pay a two cent tax, but in the case of the man who owes the debt and is forced by his creditors to put a stamp on his note of four cents a hundred dollars it seems to me nothing less than robbery.

Then I urge the Acting Minister of Finance to place the farmer's income tax on a three year basis. There are many cases where a man has produced three or four crops at a loss, and sometimes he does not get a crop at all. Then a good year comes and he makes sufficient profit to render him liable to assessment for income tax. In some cases a creditor would have a lien on all his crop and the man would have absolutely nothing to pay his income tax, although he was liable for it.

Mr. STEWART (Leeds): What is the difference between the farmer and the professional or business man in similar circumstances?

Mr. COOTE: I have no objection to the Acting Minister of Finance adopting a three year basis for everybody, but I say there is a difference, because a professional man is not dependent upon the weather, and he fixes the price of his product. Every other man except the farmer can do that. When the farmer sows a crop he does not know whether wheat is going to be fifty cents or a dollar a bushel. He has no way of protecting himself, as other men have. Otherwise I quite agree with the suggestion of my hon. friend. In addition to that the farmer goes on and does his year's work, whether he obtains an income from it or not. Sometimes he gets practically no income, and instead of having an income he is probably short one or two thousand dollars on his year's operations. It seems to me the most reasonable thing in the world that my suggestion should be accepted.

I should also like to urge upon the minister —not because nobody else has done it, because it seems to be unorthodox if you do not do it—that there should be a reduction in taxation. My principal reason for urging it is that I believe that taxation ultimately falls upon the producer of wealth, no matter where you collect the tax. I am reminded that Sir Thomas White is reported to have said some years ago, when he was floating some of our victory loans, that if these loans were to be repaid it would be from the top six inches of the soil of Canada. That certainly meant that the farmers were to pay it. I do not believe in a lot of this talk of economy that is given out by the magnates of this country, but I do believe in economy in government, because it is a very difficult thing to collect these taxes, and very often we collect them in the wrong place. I think there is altogether too much talk of economy among certain classes of people, because if we all do as we were urged to do during the war years, produce and save, I am not able to see who was to purchase what we produced, if that system had been carried on for a year. However, that is by the way. One other thing I want to urge upon the government as a remedy for the situation in which the farmer finds himself to-day: is that the freight rates should be made just as low as possible. I realize that the question of freight rates is a very contentious one in Canada, but when I tell you that a reduction of one cent in the freight rates on the wheat of Alberta would amount to as much as all the turkeys the women raise there in a year, you will see it is very important. Western Canada to-day has only one determining factor in the freight rate structure and that is the Crowsnest pass agreement. That is why I have always advocated the maintenance of that agreement. I do not see how we can afford to do without it. Freight rates in the end must be decided in this House, by this parliament, and when it comes to procuring a decision from this parliament the representatives from western Canada are very much in the minority. For that reason I say that it is very important to us

that the Crowsnest pass agreement should remain a determining factor in freight rates. I am not going to press that point. I assume we will be told here that the grain is now being carried at a loss, but I have seen the statement several times within the last three months that the reason for the big drop in the earnings of our two great railway systems this year was the small grain crop in western Canada. I wish to ask hon. gentlemen this question: If the reduced net earnings on these railroads are caused by the small grain crop in western Canada, are those railways carrying that crop at a loss? If they have been carrying these crops at a loss, the loss surely would be greater if we had a large crop. In 1923 we had a large crop and our railways made more money than in 1924 when they had that small crop. Does that look as though this grain was being carried at a loss? Then I think it has been brought to the attention of this House before by the hon. member for West Edmonton (Mr. Kennedy) that Mr. E. W. Beatty, in the course of an address in the city of New York, made a statement to the effect that if the builders of the Canadian Northern line had been content with a railway system extending from the Great Lakes to the mountains they would to-day be the richest men in Canada. Mr. Beatty is, I think, very well posted on railway matters. The bulk of the traffic that the old Canadian Northern would have to carry in western Canada would be grain. I think those two statements together surely ought to prove that our western grain is not being carried at a loss, in spite of the figures that railway officials may give in an attempt to prove the contrary. It was not very long ago that I heard a railway man state that he could prove that grain carried at any rate was carried at a loss, and, further, that he could prove the same in regard to any other commodity. But I do not see how the two points can be controverted.

Now, Mr. Speaker, I do not want to take up too much time, but I intend to refer very briefly to some of the arguments that have been advanced in this debate in regard to making Canada a self-contained country. I do not see how that can be done for a great many years to come at any rate. Recently I read in the May 1923 number of the Annals of the American Academy of Political and Social Science an article entitled "Canada's Outstanding Imports," by H. S. Logan, of the Foreign Department of the Canadian Bank of Commerce, Toronto. I wish I had time to present this article to the House. Mr. Logan states there, as anyone who takes the trouble to read will see, that Canada, at least for the present, must import coal, iron and steel, oil, cotton and silk, sugar, tea and coffee, tropical and semi-tropical fruits, rice, sago and tapioca, crude rubber, chemicals and articles of that nature. I was rather interested in the speech made by the hon. member for Vancouver South (Mr. Ladner) the other night in which he advocated an export duty on pulpwood. A few moments afterwards he mentioned cotton, and I wondered how he would feel if the United States placed an export duty on that commodity. Would our cotton manufacturers move their factories across the line? I think we must continue for years to import very largely, these commodities which I have mentioned. Our biggest manufacturers in Ontario and Quebec are importing the bulk of their raw material, and if a tariff of 20 per cent was placed on their importations, I think they would be forced to close up shop; I do not think they could get many of those raw materials in Canada.

We must have exports to pay for these imports. Surely everyone will admit that. As I pointed out at the beginning of my address, 32 per cent of our exports at the present time are wheat and flour, and about 50 per cent are from the field crops and live stock produced on our farms. The budget speech of the Acting Minister of Finance (Mr. Robb) showed a balance of exports over imports of $165,000,000. It is estimated that we have now an investment of foreign capital in Canada of five and a quarter billion dollars. Now, let us assume that this is drawing a rate of interest of, say, 5½ per cent; that would give a total interest of $281,000,000, or a net adverse balance of $116,000,000. I think something would have to be added to provide for the invisible factors, such as ocean freight rates—because most of the shipping lines are owned outside of Canada—lake and rail rates, marine insurance, fire, life and accident insurance, and so on. It is hard to estimate just what these invisible factors are worth, but I think it will be agreed by almost all hon. members that there is a considerable net balance of trade against us.

Now, I think it would be worth while for hon. members to inquire why we have such a large investment of foreign capital in Canada. I have here a booklet entitled 'The flow of capital" by Harvey E. Fisk, of the Bankers' Trust Company, New York. Speaking of the investment of American capital in Canada, he says:

> The United States would now appear to have invested in Canada in round figures 2½ billion dollars, or almost as much as the British investment, while other foreign countries may still have a small amount invested. This would give as the total investment of

foreign and British capital, as of January, 1923, in Canadian government, provincial, municipal and corporate securities, properties and enterprises, about 5¼ billion dollars.

Later on he says:

It is computed that more than two hundred branch factories were opened in Canada by Americans in 1919 and a great number in 1920 and 1921, and that late in 1922 there must have been over 700 such establishments, with a further number seeking suitable locations. One of the incentives for this development is that the American manufacturers can thus supply the Canadian market and at the same time escape the Canadian tariff.

I hope hon. members will note that sentence:

—and at the same time escape the Canadian tariff.

Then he continues:

American investment in Canadian industries has unquestionably largely increased since 1919, and so on.

And he adds:

This is apparently what has happened, the United States has made a brand new investment in Canadian enterprise of a billion and three quarters of dollars.

It seems to me, Mr. Speaker, that this investment of American capital in Canada has been largely increased because of our tariff. I do not believe that the Canadian people have given enough serious thought to this condition. It would be interesting to know just how much we have taxed ourselves through the tariff for the benefit of the American millionaires who establish these industries in Canada. Take the Ford Company of Canada as an example. The dividends they have paid and their present equipment total about thirty-million dollars on an investment of a hundred and twenty-five thousand dollars; and American stockholders hold the majority of the stock in that corporation. This article states that about seven hundred American manufacturers have established branch factories here. It is to be hoped that they have not all taxed us to the same extent as has the Ford Company of Canada. And yet when I bring in a resolution asking for a reduction of the duty on automobiles so that these American millionaires could not tax us quite so heavily, the Acting Minister of Finance says that he cannot accept it because he must have the revenue from the tariff on automobiles. I did have a statement showing the tariff revenue from automobiles for each year for the past ten years, but I neglected to bring it with me. It shows that the customs duties collected on automobiles are growing less and less each year as these factories are established in this country and secure the market. Not only have we taxed ourselves to establish these branch factories here, but we must go on taxing ourselves in perpetuity, because if we are to believe the arguments of our protectionist friends, if the tariff is removed or lowered a little bit these factories will be closed up, and then we shall have taxed ourselves for nothing. It seems to me that we are taxing ourselves to establish American industries in Canada so that they may charge us higher prices than they charge to their customers in foreign countries. In fact, as I put it on a former occasion, we have taxed ourselves on automobiles to the extent of 40 per cent—that is what it works out at—so that the manufacturers can sell automobiles cheaper to New Zealanders than they do to us. I have here a statement showing the percentage of capital owned in Canada and the percentage owned outside of Canada in a number of leading industries in this country, published in 1919. I do not want to read it all to the House, and if I may be allowed to place it on Hansard I would like to do so.

The statement is as follows:

Percentage of Capital invested in Canadian Industries
Year 1919

	Owned in Canada Per cent	Owned outside of Canada Per cent
Lumber industry	61	39
Pulp and paper	68	32
Agricultural implements	58	42
Foundry and machine shop	70	30
Building and construction industry	46.4	55
Electrical apparatus industry	36	64
Meat packing	57	53
Rubber	40	60
Patent medicines	12	88
Paint and varnish	47	53
Sugar	67.2	32.8
Car construction	40.4	59.6
Drug and chemical	36	64
Brass and copper castings	55	45
Condensed milk	48.5	51.5
Refined petroleum	46.7	53.3
Automobile accessory	6.5	93.5
Automobile industry	39	61

There has undoubtedly been an increase since that time in the percentage held by the United States investors in certain industries, notably the pulp and paper and automobile industries.

Now, just a word or two more about the establishment of these American industries in Canada. I brought to the attention of the House what it cost to have the Ford Company establish a branch in Canada. I could give many examples, but I shall refer to just two or three. One is the Canadian General Electric Company. I notice they have recently announced a dividend of six per cent on the common stock of $10,000,000; their preferred stock is $2,000,000. This company is,

I am informed, really a branch of the General Electric Company in the United States. But we put on a tariff to protect them from the competition of the same concern in the United States, with the result that a radio which sells at $83 in the United States costs $98.75 in Canada. Then I have here a statement of the Sherwin Williams Company in Canada, which I believe is really a subsidiary or branch of the Sherwin Williams Company in the United States. I find that this company consists of a merger of three companies, formerly the Sherwin Williams Company, Lewis Berger and Sons, and the Canada Paint Company. They had a total capitalization of $2,500,000. After the merger was completed, we find they had bonds of $2,450,000; perferred stock, $3,000,000; common stock, $4,000,000; total capitalization, $9,450,000. I quote from Greenshields' market report of a year ago regarding this stock. It says:

> After provision for all prior charges, including depreciation, renewals and interest, earnings available for dividends on the 7 per cent cumulative preferred stock have averaged since the inception of the company $585,210 per annum. This is equal to 18.1 per cent on the average preferred stock outstanding and is equal to approximately two and a half times the annual dividend requirements at the present time.
>
> Dividends are now being paid on the common at the rate of 6 per cent.

There is a duty on paint, "not otherwise provided," of 20 per cent, 27½ per cent, and 30 per cent. Every time I travel from here to Montreal and look at the large number of buildings that have never received a coat of paint I cannot help but wonder that these Montreal magnates do not lower the price of paint a little bit. I suppose those who defend this tariff would say it makes work for the paint makers in Canada. That may be true, but if paint were cheaper the farmers might be able to hire somebody to put paint on their barns and we would provide some work for painters and give employment to more men than are now employed in the paint factories. Nothing looks more desolate to me than building after building that has never received a coat of paint. Some of them have probably been without paint for thirty years and I suppose they will stay without it for another thirty years before we will get the duty on paint reduced.

Mr. McMASTER: The wood would need to be sound.

Mr. COOTE: Well, it is good Canadian lumber. I have here an item from the Financial Post of a year ago telling about a meeting of manufacturers in Liberal Quebec at which a pretty strong protest was registered against any proposal to reduce the protection necessary for the prosperity of the industry. It says that among those attending was "W. S. Fallis, Sherwin Williams Company, Montreal". He was there, I presume, to look after the duty on paint.

Then, coming to some strictly Canadian companies, I want to throw out a word of cheer to those who are so concerned about the steel industry in Canada. I find that the Steel Company of Canada was a merger of five companies, the combined capital of which was $9,969,500. Of this amount a large percentage was common stock, because there had been several mergers before. The new merger issue consisted of bonds $7,500,000; preferred stock, $6,496,300, and common stock $11,500,000, a total capitalization of $25,496,300. You will notice that over half of this was water, but it is now capital. Here is an item from the Financial Times of a year ago. It says in regard to the Steel Company of Canada:

> During the decade there has been paid on account of preferred dividends a sum of $4,547,411. Deduction of this figure from the ten years' net income leaves net earnings available on the common stock of $15,828,053, which indicates average annual earnings over the period of $1,582,805, or 13.76 per cent per annum. This is almost double common stock dividend requirements of 7 per cent per annum.

I quote the following also as showing the earnings of the Steel Company of Canada for the past year:

> Steel of Canada's position is steadily becoming stronger, in 1924, despite adverse conditions and the tariff.

Mr. MARLER: Its earnings were less, though.

Mr. COOTE: I did not take the trouble to read about the earnings. Anyway, the company is still in a splendid position and still able to pay dividends out of earnings.

I seem to have mislaid a statement I wanted to give the House in regard to the textile industry, because the member for York-Sunbury (Mr. Hanson) bewailed the condition of that industry and I wanted to make some reference to it. However, I should like to draw the attention of the House to the fact that the common stock of the Dominion Textile Company when this merger was formed was $5,000,000, but the money invested in that stock was only $500,000. That is, it was sold at $10 a share. The earnings on this stock have certainly been very handsome. A few years ago the stock had risen to $213 per share. As that made the stock hard to trade in on the market there was a split up of three shares for one, and now the common stock of that company stands at $15,000,000. They have paid dividends on

this common stock for many years. I think I gave some statistics about this company two years ago, so it is not necessary for me to go into it further now; an investment of $500,000 some years ago has now become $15,000,000. We have here, I think, a good example of how capital is created.

Mr. MARLER: I think I should correct my hon. friend in that respect. The Dominion Textile Company took over a number of mills at a very moderate price. In addition to the $500,000 my hon. friends speaks of, those who got the common stock had to put up a great deal of money with respect to the bonds. I think my hon. friend should be quite certain of the statements he makes with regard to that company. I am not trying to defend it in any way, but I do not think it fair to say that $500,000 has increased to the amount he suggests.

Mr. COOTE: I think a fairly complete statement regarding this company is given in the Journals of the House for the year 1919, and I think the facts there will be found exactly as I have stated them to-night, except that since that time the $5,000,000 has been increased to $15,000,000. If I had the Journals of the House I could produce the statement.

Mr. MARLER: The Journals of the House are not necessarily right. A statement made in 1919 is not necessarily right.

Mr. ARCHAMBAULT: May I point out that during the inquiry into the high cost of living the president, I think, of the Textile Company admitted those facts.

Mr. COOTE: I think that is substantially correct. It was not the president, but the secretary of the company.

Mr. McMASTER: It was Mr. Daniels.

Mr. COOTE: I believe it was Mr. Daniels. I would like to point out now how capital is created. I have here a statement of the Sun Life Insurance Company, issued a year ago, and in a printed list of their investments I find that they hold common stock of the Dominion Textile Company for $1,007,656,23. The money which the people of Canada have paid to this insurance company to provide for their widows and orphans would surely be considered actual capital, and we now find this money invested in this common stock. So I think it can fairly be claimed that this $15,000,000 is now actual capital. The men who originally purchased this stock I presume will still control at least 51 per cent of it. They have received handsome dividends, because some years ago I saw a statement made that this common stock had returned in dividends ten times the amount originally paid for it. They have sold a large part of this common stock to the public, and they now have several millions of real money invested in the common stock of this corporation. I am sure they feel perfectly secure, knowing that the public will now protect them because as I have shown the public are vitally interested.

I could show, too, that this insurance company, one of the largest of its kind in Canada, has $350,000 of the common stock of the Canadian General Electric Company, and $1,965,000 of the General Electric Company, as well as common stock in several other companies.

I do not wish to deal with the tariff any further, Mr. Speaker, except to refer very briefly to the question of protecting the farmer through the tariff. It is rather strange that a tariff on wheat does not increase the price of wheat, whereas a tariff of 35 per cent on automobiles affects the price of automobiles to the extent of 40 per cent. The tariff will increase the price of goods if those who are producing the goods are few enough to get together in a combine or gentleman's agreement and fix the price. A tariff on boots and shoes will not hurt us very much in this country if the boot and shoe men do not take advantage of the tariff to force up their prices, nor will the tariff on any other article increase the price very much under those conditions. The producers of wheat are too numerous to get together and force up the price of wheat, even if you did put a tariff on it. I admit that some farm produce can possibly be advanced in price through the tariff. That the price of apples can be advanced through the tariff has been demonstrated to be a fact; that is the way it has worked out. But it will not work that way with wheat and cattle because the men producing them are too numerous to get together.

I have here a little article from Commerce and Finance, a financial paper issued in New York entitled, "Congress, Coolidge and the Farmer." It deals at some length with the situation of the agriculturists in the United States. It mentions the desire of the government and of the public men in the United States to improve the financial position of the farmer in that country. It devotes considerable space to the McNary-Haugen bill, which would create a government body to handle wheat and charge the American consumer about 42 cents a bushel more for wheat than was charged to the buyer in foreign countries. It goes on to say that this bill was killed in

congress for certain reasons. It then says that the bill will be up again, and if that bill is not put into effect some other marketing agency will likely be created in an endeavour to assist the farmer in marketing his products and in charging the American consumer more than the foreign purchaser of wheat. It also states that in the United States they are endeavouring to persuade the farmer to limit his production, but the writer of this article says:

Whether the remedy be production or marketing the starting point is production. If this first step is omitted, the experts and the congressmen may mill around in circles, but will never arrive at any goal.

I want to draw the attention of the Minister of Immigration to that fact. If he goes on endeavouring to fill up the vacant lands in this country with farmers, what are we going to do with that production? This article is by James E. Boyle, Professor of Rural Economy, Cornell University, who has made a particular study of this subject. This is what he says about the tariff:

I am no defender of the protective tariff. I agree with the official findings of the American Farm Bureau Federation that our present tariff is costing the American farmers three hundred millions of dollars a year.

I do not think I can leave the question of the tariff with any better quotation than that. That is the last remedy I am going to suggest to the Acting Minister of Finance for the position the farmer in the west finds himself in to-day. He might reduce the tariff on a few necessities which the farmer has to purchase.

I have here a little pamphlet published by the Edmonton Journal, which, as you all know, is generally regarded as a Conservative organ. They are advocating a "Canada Forward" policy. They evidently have discarded the old National Policy. They say:

A Canada Forward policy should recognize frankly that agriculture is and must be for some time Canada's basic industry, and that there can be no general or permanent prosperity in this country except under conditions that make for a prosperous agriculture.

Mr. STEWART (Argenteuil): They are not advocating reduction of the tariff, are they?

Mr. COOTE: Yes, I think I can show they are advocating it, but I do not want to make too long a speech.

Mr. STEWART (Argenteuil): I never caught them at that before.

Mr. COOTE: They go on to say that if there are certain industries in Canada which cannot stand on their own feet, they have got to be eliminated, or something to that effect. He says here in part:

If Canada is to compete with other nations our agricultural methods and our industrial processes must reflect the latest achievements of agricultural and industrial science. Much of our agricultural products is sold in the world market where tariffs cannot avail, and Canada cannot afford the luxury of tariff protection for industries that are not one hundred per cent efficient in their industrial processes.

And I think on another page he does advocate a gradual tariff reduction.

Now I want to refer to certain remarks made by the hon. member for Vancouver South (Mr. Ladner) in his speech two days ago. He said in part—page 2432 of Hansard:

My submission is that it is entirely because of the Progressive party, and very largely their views from a purely economic view are sound. They say: We produce wheat in our country; we sell in the markets of the world and we buy in a protected market; therefore if we can eliminate the protective duties we may get our goods cheaper and have a bigger margin of profit or be able to sell more wheat in the markets of the world. That is a hard argument to answer from the economic point of view.

Later on he says:

The value of wheat and wheat flour exported was $327,000,000, or 22 per cent of the total agricultural production. So that this 22 per cent, representing the views of the prairie provinces through the Progressive party in this parliament, are dominating the government and the fiscal policy of this country. There is our trouble.

I should like to draw to the attention of the hon. member for Vancouver South the statement of the Premier of Ontario, made I think about a year and a half ago, and as near as I can repeat it it was that Ontario had always dominated the politics of the Dominion. I thought at the time that the Premier of Ontario had made a very correct statement, and I should like to suggest to the hon. member for Vancouver South that he might confer with the Premier of Ontario and see whether he is not, after all, mistaken. I feel that Ontario, and possibly we might add Quebec, has dominated the policies of this country and I think, possibly, will continue to do so. It is only natural for them to expect that they will, because they are the populous parts of Canada and return a majority of the members of this House. But I should like to refer you again to some of the words used by the hon. member in question. He says the Progressive argument is a hard argument to answer and he admits that it is hard to answer our argument from the economic point of view. But he goes on to point out that we are in the minority and asks why should our views prevail—why should they influence this government? If our views were influencing this government I

for one would support the present budget; but I do not think this is the case, and I am going to vote against the budget not simply because our views are not influencing the cabinet, but because I think the policy laid down in the budget is not one that I can support; it is not in line with the platform on which I was elected and I intend to stand by my principles. But when the hon. member was elaborating this point that although we might be economically sound and we had a hard argument to answer we represented only 22 per cent of the people so why should we influence the government—I looked on the mace—the glittering mace we have on the table—and I thought the hon. member was simply advocating the policy that had been in force in this country for many years; the policy of using the big stick on the minority although they might be economically sound in the views which they were advocating. What I would advocate, Mr. Speaker, is that this mace should be removed from the table; we should not have big stick government in this country. In place of the mace I would place on the table the figure that I think all members have seen where the goddess stands with the scales weighing out justice to all. That is what we must have in this country instead of having a big stick waved at the minority. "You may be economically sound," we are told, "but then you are advocating something that the majority do not want, so we will just take the big stick to you and you can climb down."

We hear a great deal about national unity; we have heard more from this government than we ever heard on the subject before. Why have we heard it? We would hear very little about national unity if all sections of Canada were getting justice. You are not going to get national unity until something more nearly approximating justice is granted than is the case to-day. There are two schools of thought in this country, Mr. Speaker, at least on this particular subject. One is that the west—I should not say the west—but those who are advocating lower tariffs cannot get their wishes carried out; that we are going to have protection, and that if we put the Conservatives into power we will get higher protection than we have now. Therefore we must continue the present government in office at all costs because they will not raise the tariff. Well, I cannot subscribe to that doctrine; I believe in justice to all. If our views are economically sound and our argument hard to answer but nevertheless we are denied what we are asking for, then it is up to those who are opposing us to show in what way our demands may be fairly met. Are the people of the west to remain in this position forever, advocating something that is economically sound but being denied it because they are in the minority? Surely confederation cannot be held together on such a policy as that. I have listened in this House to a great many speakers on the budget, and on other subjects, and I have yet to hear a suggestion from any hon. member as to what way or in what manner any quid pro quo for this protective tariff is to be given to us. On the other hand I have heard admissions from many members that the protective tariff is of no benefit to us, that in fact it is a hinderance. The hon. member for North Waterloo (Mr. Euler) this afternoon in a very well reasoned speech advocated the wiping out of the British preference on the ground, as nearly as I can recollect it, that he did not believe in sentiment influencing our economic policies in this country. Well, is it taken for granted that sentiment will persuade the west indefinitely to continue under a policy which is economically unsound for it?

That is the point I want to impress upon this House; there is no use our trying to gloss it over. This feeling of injustice has been bearing particularly hard upon the west while we have had adverse conditions and poor prices to contend with. So long as the people are prosperous they will put up with a wrong economic policy, but when it begins to bear hardly upon them they must seek a remedy. There is no use disguising the fact that there is an agitation in certain parts of western Canada to get rid of this domination of the east in some manner, and I think it is the duty of this House—I do not think it is too strong a term to use—it is the plain and bounden duty of this House, to see to it that that feeling of injustice is no longer allowed to grow. There is a demand, as I say, for some action which will relieve us from this position. If some action is not taken, if we are allowed to go on as we are going to-day, I believe that feeling will grow in spite of all the talk upon national unity that can be handed out to those people.

Before I sit down, I should like to say in regard to this point which I have been bringing to the attention of the House, that as long ago as 1910 this feeling was very strong in certain parts of western Canada, and the late Mr. Bramley-Moore issued a little book entitled "Canada and her Colonies or Home Rule for Alberta". I do not think the late Mr. Bramley-Moore's loyalty could be questioned at all, as he was an Englishman who, when war broke out, although he was a member of the

Alberta legislature, enlisted, I think, as a private, went overseas and was killed in the Great war. But Mr. Bramley-Moore, in his book, endeavours to point out—and I think he makes a very good case—that as regards the western provinces, they were being treated by, I would say, older Canada in regard to this tariff in the same manner as Britain, Spain and Portugual treated their colonies years ago. He makes this statement:

> Hitherto no colony of the Anglo-Saxon race has rested content in being made subordinate and subservient to the interests of the Mother Country. It remains to be seen whether western Canadians have lost the spirit of their fathers. In these days when state interference with individual liberty of action is becoming more and more pronounced, we may be tending to acquire the mental characteristics of the orientals who bend their patient backs beneath a government's tyranny with a proper self-effacement and equanimity.

I do not want to keep the House any longer; but surely the time has come when the people of western Canada particularly should be told whether this is the tariff that they have to put up with or not. If this is the minimum tariff that the Liberal party, who are the traditional low tariff party in this country, are prepared to endeavour to put into force, that should be made clear to the west. As I have said already, if there is any quid pro quo to be offered to western Canada, I think that should be done at this session of parliament.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, in rising to make a few observations on the present budget, it is my intention to follow the example set by members in this part of the House and to be very brief. I said some two years ago that any remarks that I would make in this House would not be much longer than twenty minutes and I intend to close within that time to-night.

First, I desire to express my regret at the absence of the Minister of Finance (Mr. Fielding) through illness. I am sure we all miss his presence in the House and we all hope for his speedy recovery. I also wish to thank the Minister of Marine and Fisheries (Mr. Cardin) and the Minister without Portfolio, the senior member for Ottawa (Mr. McGiverin) for the visit they paid to the constituency which I have the honour to represent in this House. I am sure the electors of Provencher appreciated their visit. I think members of the government and every member of parliament should acquaint themselves with the different problems throughout the various parts of this country. There is only one way in which they can do so and it is by paying visits to the different parts of Canada. One of our chief difficulties in solving our national problems is that the knowledge of a great percentage of the members centres around their particular constituency and province, and until the members know the whole country, it is impossible for them to give justice to the various national problems that we have to solve.

On September 1, 1921, the present leader of the opposition (Mr. Meighen) made a speech in London, Ontario, before 3,000 electors, announcing a general election. He stated the main issues, and I would like to read a few extracts from his speech as published in the Montreal Gazette of September 2, 1921. The right hon. gentleman said:

> But there is an issue. Here are 3,000 people! You have watched the shaping of events and the movements of political forces for the past few years. Is there one of this whole 3,000 who does not know as he sits in his seat to-night that there is something that Canada must decide and decisively decide before we square away for the journey ahead? I do not think there are two opinions in this hall as to what we have to decide. It is the tariff of Canada.

Then he goes on:

> But there is a challenge from the official opposition under Mr. Mackenzie King. They adopted two years ago in solemn convention a resolution that bound them to place on the free list nineteen classes of articles including foodstuffs, farm implements and machinery and lumber of every kind, and to increase the British preference 50 per cent and to substantially reduce the tariff on boots and shoes and articles of consumption.

The point I want to make in reading the remarks of the then Prime Minister is that the tariff was a well-defined issue at the last general election. The Liberal party covered this whole country, going from coast to coast, preaching low tariff. The Progressives did the same. They all preached low tariff, and the Conservatives went from ocean to ocean and preached protection. On the 6th day of December, 1921, the electors gave their verdict, and the verdict given by the electors should be taken notice of and respected. The electors on the 6th December, 1921, elected with large majorities 186 members who preached low tariff throughout this whole country, and they returned only 49 protectionist Conservatives. What was the meaning of that verdict given by the electors? There is no denying that it was a mandate to the government who took office substantially to reduce tariffs on the implements of production and the necessaries of life. This government has been in power now for four years and this is its fourth budget. I do not want to be too critical, but in my opinion we have had three stand-pat budgets and one with slight reductions on the implements of production. Is the government prepared to

go back to the electors and say to them: We have taken no notice of the mandate that you gave us in 1921, but return us to power and we shall see what we can do? I say you cannot fool the electorate all the time.

What has been the result of the government's failure to keep its promises? It has been to produce the present conditions of business depression and industrial stagnation. The government cannot take any credit for the improvement in agricultural prices. They have no control, for example, over the price of wheat. Nothing they can do would cause it to rise or fall. The farmers' returns are determined, broadly speaking, by world conditions which no government can affect; but with general business and industrial activities the condition is different. The government may help or hinder these interests. If the government had last year devoted its surplus revenues of some $24,000,000 to reducing the general tariff, business and industry would be to-day in a more flourishing state. The taxes remitted would have added to the purchasing power of the people, and in addition to the gain to the consumers of the country by the reduction of the tariff taxes paid to the exchequer, something like $3 for every $1 of revenue collected would also have been saved to the farmers and the consumers generally, by the reduction of the concealed bonuses paid to the manufacturing industries of the country under the protective system. Thus, instead of $24,000,000 of additional purchasing power something approaching $80,000,000 or $100,000,000 would have been available.

Mr. BOUCHARD (Translation): Will the hon. member allow me a question? I wish to ask him how he can explain that, on the one hand, the Conservatives tell us that the stagnation in business is due to the lowering of the tariff, and that, on the other hand, a good Progressive like my hon. friend, asserts that the depression is due to the high tariff maintained by us?

Mr. BEAUBIEN (Translation): My hon. friend is, himself, well aware that the reason why business is at a standstill, and factories not producing as much as they should, is that the people have not the necessary purchasing power, and as I have just stated, for each dollar of revenue turned over to the Treasury, the people have to put up three dollars.

This huge sum spent by the people at large upon the implements of production and the necessaries and comforts of life would have brought about a stimulation of industrial and business conditions. We should to-day see far less unemployment and far greater prosperity if the government had the foresight and the courage to live up to its promises to the electors to reduce the tariff.

This year no reduction of taxation is proposed. Thanks to trade depression the revenues have fallen off. The Acting Minister of Finance (Mr. Robb) has, it is true, a surplus on paper of $1,820,000, but the figures on which this surplus is based are, after all, only estimates. Comparison of the minister's estimates of expenditures at the beginning of the fiscal year and his estimate made a month before the end of the year show a difference of $9,386,300.07. It is somewhat remarkable that the minister who would be entitled to claim credit for so considerable a saving on the year's administration did not do so. It would be interesting to know just how and where these apparent savings accrued, but we are not afforded the information.

Everybody admits the need for economy. The need is the greater since revenues have fallen so alarmingly, and there is yet no evidence of their recovery. Reduction of taxation is a prime necessity and it is evident that it can result only from savings in public expenditures. The ministers cannot reasonably contend that reductions cannot be made in the expenditures for which they are responsible. The record of the United States in this respect is one that they might profitably emulate. Writing in MacLean's Magazine of April 1, 1925, Mr. J. Herbert Hodgins makes the following comment:

> Federal estimates in the United States provide for the spending of $3,062,277,407 for 1925. President Coolidge wants the amount to an even $3,000,000,000.

Then a statement by General Lord, who is the director of the Bureau of the Budget, as follows:

> General Lord has counselled all federal spenders: "Go over your estimates with a microscope in one hand and a pruning knife in the other. If there is doubt whether a cut should be made—cut, resolve every doubt in favour of the taxpayers."

Further on in this article Mr. Hodgins says:

> President Coolidge, with the active help of the director of the Bureau of the Budget, has given the United States lower taxes, "a material reduction of about $2,000,000,000 yearly" as he, himself, stated in Washington on January 26, 1925. Which, after all, touches the average citizen in his most sensitive spot, his purse, and convinces him of the worth-whileness of the national effort.
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> In a previous article I quoted figures that were presented by President Coolidge to show, how in four years, 1921-1924, there was the remarkable cut in the United States public debt of $3,198,000,000. This reduces the annual interest from $999,000,000 to $865,000,000—

a saving of $134,000,000, or a sum within one million dollars of Canada's annual interest bill.

President Coolidge has saved the United States more than $5,343,000,000.

Now, Mr. Speaker, if they can do that in the United States, if they can reduce the expenditures of Great Britain, there is not the slightest reason why we cannot reduce our expenditures in Canada. I might offer a few suggestions as to how we could reduce our expenditures. I do not think the Minister of Agriculture (Mr. Motherwell) would agree with me in this respect, but I think we could make a reduction in the expenditures for experimental farms. We have too many experimental farms in this country. I know that these farms have been a benefit to Canada; I am not denying that, but they do not reach the farmer to-day, or else the farmer does not reach them. I think the government could reduce the expenditure on experimental farms by a large amount, and devote a certain percentage of that saving to research work.

Mr. GRAHAM: That would not reduce the expenditure.

Mr. BEAUBIEN: No. I said that we could spend a certain percentage of that reduction in research work, which would be of greater advantage to the Canadian people as a whole. We might reduce our public printing. I go down to the post office in the morning, in the afternoon, and in the evening and it is always full. It contains many government publications some of which are beneficial. With reference to the others, most of the members throw them in the wastepaper basket. We might reduce our expenditures on national defence. I see the minister is in his seat just now.

Mr. MACDONALD (Pictou): Would the hon. gentleman favour spending money on the Hudson Bay railway?

Mr. BEAUBIEN: If it is of public importance I would.

Mr. MACDONALD (Pictou): It is not a question of "if"; is the hon. member in favour of it?

Mr. BEAUBIEN: I am in favour of spending the money where the taxpayer and the country as a whole are going to get the benefit from it.

Mr. MACDONALD (Pictou): That is very general.

Mr. BEAUBIEN: If the Canadian people are ever to reduce their national indebtedness, with its accompanying annual payments of interest, some thrift must be exercised and the old-fashioned policy of cutting our coat according to our cloth must be made effective. To the people of western Canada, Mr. Speaker, this budget is disappointing. Not only because it does not reduce taxation, but because it does nothing to fulfil the promise held out to them of relief from the unduly high cost of the instruments of production and of the necessaries of life. Agriculture must be made a profitable industry if this country is to be fully and properly developed. It can be made so only by the removal of the handicaps it suffers from excessive taxation and from the protective policy.

This, Mr. Speaker, brings me to another point,—the lack of facilities for obtaining adequate loans on favourable terms, which is a serious disadvantage to our agriculturists. In his latest report, Dr. H. M. Tory says:

> The question of agricultural credit is not one coming by accident out of the peculiar conditions of to-day, and therefore requiring only a temporary solution, but it arises out of conditions that are permanent and require to be dealt with on a permanent basis.

This statement, I am sure, will be endorsed by everyone who has given any attention at all to western conditions. The financial difficulties of the western farmers fall into two classes—those which are of a very pressing but quite temporary character, and those which will remain after all the immediate difficulties have been overcome, and which require the permanent remedy indicated in Dr. Tory's statement. Many of our western people could derive no benefit at the present time from a permanent scheme of rural credits because they are too heavily in debt; they have no credit left. Under the influence of circumstances, largely outside their own control, they have become deeply involved financially, and some way must be found to relieve their immediate financial necessities and to put them in a fair way to prosperity as well as to make their industry profitable. Then, and then only, will they be in a position to make proper use of rural credit facilities.

One of the chief instruments in assisting the heavily indebted farmers to place themselves in a more advantageous position for the pursuit of their industry is to be found in the Bankruptcy Act. At the close of last session certain amendments to that act were recommended to this House by the standing committee on Banking and Commerce. These amendments were drafted with the object of making the administration of the act more equitable and more effective so far as farmers are concerned. The government was pressed at that time to pass legislation along the lines recommended, but was unable to do so owing

to the advanced stage of the session. But no effort seems to have been made in the present session to give effect to the committee's recommendations. We on this side of the House would urge upon the government the necessity for immediate action in this matter. If the process of debt adjustment and of relieving bankrupts from their impossible situation could go ahead with greater freedom, there would be some prospects that hundreds of farmers would be retained upon their farms who otherwise will be driven off their land and probably out of the country, while thousands of others will be enabled to adjust themselves to existing conditions and to take advantage of any permanent facilities for rural credits which it may be found possible to establish. To this end the passage of the proposed amendments to the Bankruptcy Act are indispensable. Some such legislation must precede the application of any permanent plan for providing farm loans, and I would again urge upon the government the need for action at this session of parliament.

There is another point, Mr. Speaker, on which I feel it is my duty to say a few words. I refer to the proposed embargo on pulpwood. I will not go into the details of that question, as many hon. members know more about it than I do and they can treat the subject more adequately. It has been shown, and conclusively shown, I believe, to every member of this House who has given the matter a careful and unbiased study, that only the very small group of manufacturers who are urging an embargo on pulpwood would benefit by it. Its enforcement would spell injustice and hardships to hundreds who would be deprived of a good, and perhaps a near market for their products. In my own constituency of Provencher many settlers depend entirely upon the sale of pulpwood for their living until their farm products give them a sufficient revenue to live on. As they are located near the main Canadian National railway line, or one of its branches, the nearest point where they can sell their pulpwood to good advantage is International Falls, and the proposed embargo would close down the market to them What would happen then? There is no doubt most of them would have to leave the land to go either to the United States or to increase the number of unemployed in our cities. On behalf of those bona fide settlers I appeal to the government not to chase out of their farms those hard workers who constitute one of the best assets of our country, and who should not be made innocent victims of a few selfish and voracious manufacturers. It has been proven that of the yearly destruction of our forests 90 per cent is due to fire, winds and insects. Of the remaining 10 per cent statistics show that the proportion used in various industries is as follows: In Canada, 84 per cent; outside of Canada, 16 per cent. Then 16 per cent of 10 per cent of all the timber cut or destroyed each year in Canada, or in other words, one-half of one per cent only of such timber is exported. Why is it that to save such a small proportion of our timber the proponents of the embargo would not hesitate to injure the settlers, the farmers and the woodland owners? It is that they would reap big profits in forcing the sale of that percentage of timber to their own mills at their own prices. Will the government listen to them, or will they listen to the farmers who claim that our first duty is to protect our forests against fire, insects and other controllable causes of destruction? I hope, Mr. Speaker, the government will not hesitate to give fair treatment to our settlers.

I repeat, Mr. Speaker, the budget is disappointing to the western people, who look upon it as an anti-national and unfairly balanced policy. If there be an election this year, as has been foreshadowed by some newspapers which claim to be well informed, I consider it will be my duty to tell the electors of my constituency that the present government has utterly failed to keep the pledges of the Liberal platform of 1919 which seems to have been drafted not in a spirit of sincerity, but as a vote-catcher.

Before taking my seat, Mr. Speaker, I wish to emphasize the fact that notwithstanding the villainous attacks of petty politicians whose aims seem only to be to find fault with others and to sow discord and strife between the different classes of Canada, the Progressive group has constantly worked for the welfare of the whole country and of every individual of all classes. Our main object has been to try to place all Canadian citizens as nearly as possible on the same level, not by reducing the higher classes but by improving the lot of those who heretofore had to bear the heaviest burdens and by trying to secure for them a fair share of the prosperity and of the happiness which our country has in store for its inhabitants. In trying to reach our aim, we raised ourselves above all questions of race and creed, and we worked to promote harmony and unity in basing our actions on the principle of equal rights to all. In the course of his remarks the other day, the hon. member for Chambly and Vercheres (Mr. Archambault) recognized the fact and speaking of the "restoration of harmony and unity between the different races, religions and sections of

this country" he said that "the great task was accomplished with the co-operation of the Progressive party." I would be glad, Mr. Speaker, were I able to return the compliment to the hon. member for Chambly and Vercheres, and to declare that his party has stood by the principles embodied in their platform. On May 15, 1923, in a very eloquent speech delivered on behalf of this group, the hon. member for Nelson (Mr. Bird) laid down our policy. He said:

> I want to say, moreover, that the Progressives are out for the unity of Canada, and I make bold to say that we have the only basis upon which there can be such unity, that is, the basis of justice as between classes in Canada and as between sections in the community. That is the only real basis upon which there can be any unity. We have no traditional spites and no petty feelings of strife behind us. Our sole stock in trade is what we carry with us, just a straightforward economic policy, that is all. It does not matter what you are religiously, socially or provincially, you are equally welcome into this fellowship, because we do not specialize in any of those things that divide one Canadian from another. The basis on which we work is the basis on which all the people can co-operate.

In concluding, Mr. Speaker, I will say without fear of being contradicted that we have always lived up to those principles, and I feel sure that for the good of Canada the Progressive group will always stand by them.

Mr. JOHN EVANS (Saskatoon): Mr. Speaker, it seems that this House has suddenly been seized with the importance of some practical suggestions for economy. It is a quarter to twelve and I am to go on now until I finish. However, it makes very little difference; I suppose the order will be as good now as it is during any other part of the day.

Anyone, Sir, who undertakes to analyse the speeches on the budget is bound to come to the conclusion that in this House we are a set of legislators each fighting for his particular section of country. A lack of unity prevails. Only yesterday I read of a movement in Montreal on the part of a number of young men who were forming themselves into what is called the Confederation Club of Canada. The idea is to promote unity—a noble aspiration. But the very fact that such an organization is considered to be necessary is a serious indictment against the National Policy under which we have been working during the last sixty years, a policy that has developed disintegration rather than unity. It is only, Sir, on the solid basis of justice, liberty and equality that the unity of a nation can be maintained. It is not race or religion, not climate or distance that separates us or that endangers confederation; it is the economic injustice of class privilege which is the dividing factor.

I am not going to analyse the financial statement presented in the budget, any more than to say that the net debt seems to be gradually increasing. If we take the four years from March 31, 1920, to March 31, 1924 we find that our net debt has increased over $182,000,000. In 1920 the debt was $2,248,000,000; now we find it is $2,431,000,000. This does not seem to be warranted by the state of the trade and commerce of this country. It would seem, Sir, that the demand of the people for greater economy is a reasonable one. While our debt has been increasing and our taxation has been mounting, the population of the country has not correspondingly increased; neither has the earning power of the people advanced. Those who have been in large measure responsible for the financial and industrial policies of this Dominion and to whom many privileges have been granted by law, have not assumed the responsibility which may be regarded as commensurate with the privileges received. They have not made it easier for the workers to find employment throughout the Dominion or for the government to get revenue by the development of our natural resources, but rather they have withdrawn their capital from industry and have sought investment in foreign countries or in tax free bonds. A country's prosperity lies in its power to produce and its freedom to exchange, and I think it should be a policy of our government to develop these features in our national life rather than to sacrifice the freedom of the whole to class privilege, which it seems anxious to do.

One thing regarding the financial statement presented with the budget which is more pronounced this year, I think, even than in former years, is the annual wrangling which takes place as to the financial standing of the country. The budget, of course, having to do with the future, naturally calls for some prospective comment. But if book-keeping and accounting is an exact science—and I think the hon. member for Vancouver Centre (Mr. Stevens) will say it is—I cannot see any reason why such scandalous wrangling, which does so much to lower the tone of public life in the public mind, takes place from year to year.

I would like to have seen some alterations this year regarding taxation—a tendency to draw the revenue that is needed more from land values and profits. I condemn the principle of tariff taxation, tariff protection. If a customs tariff is needed at all it should be

based on the needs of the public revenue and should be levied with that end in view.

I would like to have seen some further reductions made along the lines of those of last year, with a view to making production on the farms easier and to making it easier to compete in the markets of the world with our products, both in price and in volume. These things are very badly needed; indeed they are necessary to the success of the country at this time. But instead the government have seen fit to tighten up the taxation on primary production by insisting now that the stamp tax be applied to all cash tickets given for certain farm products, particularly milk, grain and cream. This is a tax on dairying which in Saskatchewan is calculated to put a burden of many thousand dollars on an already overtaxed industry. Agriculture is the one industry that has not received any special privilege. To place a further imposition on this industry means the hampering of production. Many of these cheques, Sir, are for as low an amount as one or two dollars, and I think it is unfair to this industry. Agriculture, particularly in western Canada is discriminated against. It was discriminated against during the war in having the prices of its products fixed and in having the railway rates raised, and now it is discriminated against to pay that debt incurred largely by the profiteering in those war years, by having a tax placed on this part of primary production.

Again, if large cheques are to be exempt from taxation, surely we should exempt the poor man who receives only his small cheque. I find, too, that promissory notes are still to bear the stamp tax except as far as such may be used for collateral security. I look on this, too, as an undue advantage taken of a man's misfortune. It is discriminatory in that it places a tax on those who are least able to bear it. To tax such a liability of a farmer I think is unsound in principle, and while I say this, I have in mind the great mass of agricultural producers who are compelled each year to borrow money for primary production. To borrow for speculation is a different matter, and I do not think that any valid objection can be raised against a tax on loans for such a purpose. I do hope, however, that some consideration will be given this matter before the budget is passed.

I would for a short time draw the attention of the House to some incongruities of tariff taxation and some incongruities of argument entered into by some protectionist advocates in this House. The hon. member for Lincoln (Mr. Chaplin) speaking the other day—page 2010 of Hansard—defiantly asked, who pays the duty? and he stated an utter fallacy when he asserted that the manufacturer of the United States when exporting to Canada has to sell his goods cheaper here by an amount equal to the tariff impositions placed against such goods when imported into this country. The fact is, Mr. Speaker, the Canadian manufacturer adds the amount of tariff protection to the cost at which the article can be imported from abroad, and I think he knows that very well, as all the other advocates of protection do, or they would not be so strongly arguing for greater protection. Now the reason why governments adopt this indirect method of taxation is because it is always passed on to the consumer. It is really a rich man's law, and wherever it is in vogue there is always some collusion between the manufacturer and the politician. I am using the word "collusion," Sir, in its full meaning. I mean a secret agreement for a fraudulent purpose. The workers are always defrauded of their rights under a tariff tax, and the rich manufacturer and politician have always to resort to the use of intentional violations of the truth to maintain the fallacy, such as the high standard of living, high wages, the packed dinner pail, and numerous other things which are designated to catch the working voter.

But to come more closely to the budget, this year we are increasing the duty on several articles. We are increasing the duty on coal, and as far as that duty on coal is concerned the Montreal Witness, that old champion of the people's rights, puts the case in a nutshell. It says:

> At a monkey shop the monkeys were in adjoining compartments. When a basket of crab apples was placed in front of each, each monkey immediately had a hand in each of his neighbour's baskets. None was the richer for it, but each thought he was. That is the way we humans do in Canada. Old Canada has her hands deep in the baskets of Nova Scotia and the prairie provinces; and now, instead of making her take her hands out we say: "Come along, Nova Scotia, put your hand into these steam-users' pockets; we'll hold them open for you. They will submit, as they know quite well that their's is still the best of the bargain. Indeed, it was they who sent the pied piper to pipe you into protection." There are some in the Maritime provinces—in fact, nearly all—who get no advantage from this coal duty, and there are some steam-users in old Canada, for instance, the publishers, who get no protection in return. We have, however, in both ways, managed to make Canada a dearer country to live in, and that would seem to be our prime objective.

By a duty on coal old Canada, as the Witness calls Quebec and Ontario, hopes to enlist the Maritimes in the cause of protection; at least, they expect to put them in the position where they cannot with consistency protest against the legalized looting

which the advocates of protection say is the life of industry in this Dominion. The member for Fort William and Rainy River (Mr. Manion), also the member for East York (Mr. Harris), say that the farmers of this industrial area between Montreal and Windsor have to have protection against the market gardeners of the United States. This is also a bid for the support of the rural vote at the next election, and it is also calculated to put the farmers in an incongruous position. But the manufacturers, who are, as they say, always solicitous for the workers will gloat over their victory, if coal and vegetables will become dearer to themselves, they can pass it on as they have always done with all other unjust charges, and as for the householder he can go hang as long as the power of price fixing for them is maintained.

12 m.

The government during this session has emphasized the fact that the tariff is not a paramount matter at present. The arch-protectionists on the government side, such as the hon. member for St. Lawrence-St. George (Mr. Marler) feel satisfied with their party this year; that hon. gentleman for example, never mentioned the tariff in his speech in this debate. The hon. member for Brantford (Mr. Raymond) is content too this year to advocate a little tariff for revenue this time. He feels quite safe after an experience of three years showing that his party is prepared to repudiate all Liberal principles. The higher duty on coal which enlists the support of the Maritimes, the advocacy by our Tory friends of protection for the agriculturist, particularly the market gardeners of the east, along with the fact that the government is going to appoint a tariff commission—all goes to show that the forces of class privilege in this House are mobilizing for another raid on the earnings of the agriculturists and the workers, and to increase living costs in the cities for the factory workers, whom they expect to reduce really to a state of slavery over the whole Dominion, a condition which is practically begun at Glace Bay.

I want to say, Sir, that it will not be long until the politicians and their directors, the capitalists of this country, will have to choose between the maintenance of class privilege and confederation. The politics of this Dominion, one of the newest countries on earth, have sunk in two generations into a slough of hopeless immorality when members of parliament representing industry can in this House advocate class privilege as their right. The hon. member for West York (Sir Henry Drayton) admits that protection increases the cost of living until the industries get going; but he does not say how long it takes them to get going. In Canada they have had protection since 1878, and the hon. member admits that as yet they have not been able to reach the stage where it may be said that they are going. In fact, after all this time, according to the leader of the opposition and the member for West York, they are going in the wrong direction.

Several of my Conservative friends mentioned a glass factory at Hamilton that has had to close its doors because it had not the privilege of setting its prices high enough. Well, here is an industry that, admittedly, the longer it has been in operation and receiving protection the worse it has been getting, until finally it has had to close its doors. All the time it has been in operation it has received high protection. At present its keenest competitor, perhaps, is Belgium, but even under the Belgian treaty the rates of duty are: On common and colourless glass 11½ per cent ad valorem; on plate glass not bevelled up to seven square feet it enjoys protection up to 10 per cent; on plate glass from seven feet to twenty-five square feet 25 per cent ad valorem; and on all other glass not otherwise provided for 30 per cent ad valorem, with 10 per cent off, making 27 per cent net. Now the warning thrown out that the price of glass will be dearer than ever is simply absurd. There is no article manufactured to-day throughout the world in which there is keener competition than glass; I do not know why the people of Canada should pay an enhanced price for the glass they need when it can be bought at competitive prices. It will be said, if we import glass what of the workman? The protectionist always uses that argument. But I will take glass as one example of Canadian industry and show that the duty on it, along with others, is to-day responsible for very much of the unemployment in our towns and cities. Glass is one of the articles that enter very largely into the cost of building and this, along with all other building material, has been enhanced in price so much that it has prevented development in the building trade both in the cities and on the farms. Had we no protection on glass it could be imported and sold at a much lower price; but because there is a duty on glass our own manufacturing and distributing combines have a price fixing power which prevents our own home builders and glass users getting the article at a competitive rate. According to the right hon. leader of the opposition protection has done this industry no good. In that he is right because the concern, of course, is out of business; but because there is pro-

tection on this article it has hampered all kindred industries by increasing the price particularly in the case of house building. While this is true of glass it is also true of protection all the way down the line, and in this way is responsible for unemployment. The price-fixing power of the class that is so privileged has put the cost of doing everything in this land out of line with the prices obtained for our exports, so that every kind of development, practically, in a national way has had to stop. Because it cannot be denied that after all this country depends on its exports for its income, and every activity—whether in a public or private way—depends upon our income legitimately made in trade according to the world's prices as dictated by the law of supply and demand. The member for West York, when he was speaking, said that the law of supply and demand was as dead as the dodo. He defiantly invited interruptions, and I ventured the question "What of Canadian agricultural products?" "Oh," he said, "I will come to that later," but the hon. gentleman has not come to it yet. He knows, as well as any man in this House, that the farmers have to depend on prices for their products as set by the law of supply and demand; and I would challenge him now, if he were in his seat, to say if the price of wheat, cattle, butter, cheese, eggs, and poultry have ever been higher than the world's prices as set by the law of supply and demand?

Now the right hon. leader of the opposition declares in a resolution he has on the order paper that the tariff must be put on a consistently protective basis. It would be just as logical to say that the depredatory acts of the Jesse James gang were consistent with law and order as to say that the old National Policy of 1878 was consistently fair to all classes in this commonwealth. Protection at the best is a tax which somebody has to bear. It is an imposition on some class in the country. If all were protected, that is, if all classes were given price-fixing powers on what they produced, no class would benefit. If there were not some one class to prey upon, a protective tariff would be non-effective. Yet the hon. gentleman prates about making class privilege consistent. There is no such thing. Class privilege and consistency are as far apart as the poles. The agriculturists of Canada have had to stand the price-fixing power of other classes while they have had to meet the competition of the whole world in finding a price for farm products.

When the ex-Minister of Finance (Sir Henry Drayton) was speaking, he was very emphatic in denouncing the callousness of the free trader for his fellow workmen, and I wish he was in his seat. Let us see how this works out. The British Empire Steel Corporation will serve very well as an example of the care and responsibility of the protectionist for his fellow men. All I can see that the protectionist cares for is to have a crowd around the factory door every morning. If they go hungry, that is none of his business. If they become desperate, the Minister of National Defence (Mr. Macdonald) would be called on to send in the forces, a thing which, in the past, he has been only too willing to do. Perhaps the hon. gentleman may at some time be able to tell this House the beautiful connection which he sees between fellow-feeling and class privilege. The fellow-feeling of the protectionists and industrial lords of Canada towards the agriculturist and the labourer is very well interpreted in the immigration policy carried on by certain companies and the government at the expense of the taxpayer. There would be no need of an immigration policy for this country if it were not for the manipulation of labour and prices as regards farm products and necessaries of life by a chain of interests in collusion with the politicians who are at the head of the government here in both the House of Commons and the Senate alike. No protest was made last year by any protectionist who, according to the hon. member for West York, is solicitous for the workingman, when the British Empire Steel Corporation brought in 105 Chinamen and sacked the Canadian crews off their boats to make room for them. This was done in an attempt to break the labour organizations, and the present immigration policy of the government seems to be carried on in an attempt to lower the standard of living in the workshops and civilization on the farms of Canada. All the concern the industrialist of this Dominion exhibits for labour and agriculture is to reduce the labourers to serfs and the agriculturists to peasants.

I should like here to show the example the British Empire Steel Corporation is setting at this time, and what the Canadian Railroad Employees Monthly says of that great concern. It is certainly a good example of what industry comes to be that depends on the politician. The Nova Scotia government has stood by and witnessed the horrors of nakedness and starvation all this time practised on their workers. An ex-premier of a neighbouring colony not long ago was found to have made a sale of his country's rights to the British Empire Steel Corporation. I should like, in the face of this, to ask: Why is it now that the Nova Scotia government is afraid to interfere, and why is it that this

Dominion has to stand by and see the enactment of the greatest outrage on men, women and children that has ever taken place in times of peace? But the railroad employees monthly has this to say:

> The game that Besco is playing is to secure a cut wage rate so that Besco can get cheaper coal for its steel works, its steamers, its ore mines, its lumber mills and for its boilers at its coal mines. The second phase of the game is to secure a higher tariff so that every other user of coal on the Atlantic seaboard from Sydney to Montreal shall pay more for their coal, and the idleness and hunger are the weapons being used to hold up the government and the country and the miners.

Perhaps one of the greatest incongruities of argument in the speech of the hon. member for West York is to be found in the paragraph dealing with copper. He said there is a duty of ten per cent on brass manufactures, which duty he does not consider sufficient, but unless it is some product of copper or brass used by manufacturers in their factories, any product of copper or brass is not imported except at twice that rate. The duty on anything for consumers' use is 20 per cent under the British preference, 27½ per cent intermediate, and 30 per cent under the general tariff. Protection is not for the worker nor to keep the money in the country—and this is another argument of theirs—but to give them the power of price-fixing over all their articles. Surely 20 to 30 per cent is plenty of an advantage to our Canadian promoters of industry, even if we admit their self-asserted incompetence. But here again the hon. member for West York runs up against a contradiction of an apparently admitted principle. He says that we should not be importing anything which we can produce in this country; that none of these products should be imported? But they are coming in. The tariff does not stop them. This is the dilemma the indigent brass manufacturer along with others finds himself in at the present time, and the hon. member for West York is pleading with the government to make the consumers' pockets more accessible to be picked. But it does not matter whether it is copper and brass, iron ore and its products, artificial silk, hemp manufactures or clothes pegs, all industry except agriculture depends upon the politician. I believe the hon. member still thinks that if the duty were raised we could prevent any importations. But we cannot. The fact is that the higher the tariff is raised the higher will be the price of the home-made article. And it makes very little difference to a country like Britain whether the tariff, say in Canada and the United States, is high or low; they can export to these countries just the same. Hon. gentlemen to my right assert that the tariff does not raise prices. In that case the manufacturers and distributors must live according to the golden rule. A very interesting article appeared in the Listening Post some time ago, largely taken from the Manchester Guardian of May 29, 1924, and it shows how the Fordney tariff of the United States has failed to protect the manufacturer of New England in his own country and at the same time has rendered him incapable of competing abroad. The Listening Post has this to say:

> Among the "interests" which pressed for the adoption of the Fordney tariff was "Fall River," the New England cotton manufacturers. They claimed that European, and especially Lancashire competition could not be met. The Fordney tariff passed. What has happened to Fall River? Not only has it shared in the general set-back to business which began in the United States in March, 1923, and is now perhaps nearly at its worst, but it has completely lost the race so far as competition with Lancashire goes. In 1913 the United States was twenty-third on the list of importers of Lancashire goods. In 1923 the United States was fifth on this list. In 1914 the United States imported 62,000,000 square yards of cotton piece goods. In 1923 it imported 219,000,000—the increase mainly consisting of Lancashire goods.
>
> It was foretold in Lancashire that this would happen, but the Fall River protectionists apparently hope that no one outside Lancashire understands the economic sequence, for they are now sending out a circular for more protection still.

It goes on to say:

> Our corrupt newspapers and some of our more inept "public men", have recently been referring to the Fordney tariff as a good example to follow, saying that it is the "highest tariff in history". Our newspapers and some of our public men know very little history.

Mr. Walter Leaf, a great banker in England, speaking at the annual meeting of the Westminster Bank, asked this question:

> How has the Fordney tariff worked? I have before me the figures of trade between the United States and Great Britain for the first nine months of 1923, and I compare them with the first nine months of 1922. You will suppose—or at least the authors of the tariff certainly supposed—that there will be a great falling off in the exports from Great Britain to the United States, while the exports from the United States to Great Britain will be maintained. Well, what are the facts? The exports from the United States to Great Britain have in the period fallen off by more than £16,000,000, while the exports from Great Britain to the United States have increased by over £10,000,000. The balance of trade in those nine months has moved nearly £27,000,000 in favour of this country. Surely this must give Mr. Fordney serious matter for consideration.

If our protectionist friends would seriously consider these economic problems not from the standpoint of their own pocket and immediate gain unearned, but from the standpoint of the country at large and the wider viewpoint of humanity they would not ask for a measure that puts the cost of manufacture in this country so high that they are

debarred from exporting except as they can charge their loss to the home consumer. I think it might be logical to assume that this is what Canadian industrials have done for many years. past. They have reaped an undue profit on what they have sold or they charged their losses to the home consumer; that is on their export trade.

Despite all that the Minister of the Interior (Mr. Stewart, Argenteuil) said in his speech this year—and he did last year give this House and the country the impression that the government had made it their policy to do away with the tariff as far as protection was concerned—they now seek to tighten up on us by increasing protection, and announced boldly in the budget that goods imported are not to be valued for customs purposes at the price at which they are sold to the trade in the country of origin, but instead they are to be valued according to the discretion of the minister, and at the instigation of the manufacturing or distributing concerns affected. However, since then the government has announced that this change has been withdrawn. As far as we are concerned or as far as the country is concerned, the Acting Minister of Finance, need not have withdrawn the alteration as announced in the budget. The budget statement only crystallized what has been the practice of the Department of Customs for a long time past. It all goes to show that the government have no intention of lowering this wall of protection or of decreasing the cost of living; in fact it seems that they seek by every means possible to increase the price by the dark and devious ways of withdrawing the administration of the tariff act from under statutory regulations, and putting the whole thing at the discretion of the minister. I cannot help viewing this as being all designed to better hide from the public the reason that the cost of living is kept up to its present height.

A tariff board is to be appointed and the government is now seeking to place the responsibility for class privilege on a board to be appointed and composed partly of officers of the Customs and Excise service. I look on this, Sir, as an abandonment of Liberalism and the government's own platform. It is a capitulation as complete as the betrayal of 1897 to the demands of the class that has sought and obtained vast privileges for the last forty years. It is an acknowledgment that the trade prevention tax, or tariff imposition, is the natural right of the urban industrialists of this Dominion. The government is abandoning its own principles, it is putting the responsibility for unjust taxation on a body to be further removed from the people. Some may say that it will depend very largely upon the personnel of this board as to what the results will be—I deny, Sir, the right of any government to appoint a body of men, however learned or expert in taxation matters, to determine the extent to which one class of the people shall be placed in bondage to another.

This is all to be done for the sake of the industrial area situated between Montreal and Windsor. The appointment of a tariff board is an attempt to permanently establish the tariff imposition on the agriculturists of this Dominion, and to further concentrate the wealth of the country in this industrial area. In view of all this, I ask what prospect is there for western provinces, what prospect is there for the Maritime provinces, when by the force of numbers Quebec and Ontario intend to dominate this Dominion? What else is to be expected but a dissolution of confederation if things go on this way? By the appointment of a tariff board the government may hope to shirk responsibility in this matter—I say, Sir, that parliament is the only body to deal with this question. To appoint a board is a foregone conclusion that there is a class in this country which has a right to lay under tribute the agriculturist and the worker, and that these have no partnership in this commonwealth. The appointment of a tariff board is a natural step to take by a government which believes in special or class privilege. The Liberal party, I believe, when in power has led in this feature since the 1897 revision of the tariff. If the government by its action during the last four years had given the country some assurance that it meant to carry out its own principles as laid down in its platform, a tariff board might have been appointed to best carry out that policy, and the country would have accepted it; but under present conditions this is not possible. The dominant idea seems to be to separate as widely as possible the government and the people. By a tariff board it may be hoped to still widen the gulf, but unless the political perceptions of the people can be lulled into a comatose state of stupidity, the government cannot hope to escape the responsibility. This, along with the immigration scheme to replace the intelligent farmer and worker by an ignorant drudge, seems to be the present policy of the government. Our government has again confirmed itself as the head of the great communism of pelf.

To show some of the methods, Sir, used by the tariff authorities for greater protection than it would seem the law calls for, I would detain the House just a little longer. I wish to show how completely the Customs Tariff is set aside. The public has believed all along that they knew what duty they had to pay by the classifying of merchandise and the rate imposed, as laid down by the Customs Tariff of 1907, brought up to date by various orders in council. But the fact is they do not know. The Customs Act here comes in, which lays down the method of arriving at the value for duty, and also the method to be used by customs appraisers in arriving at the status of the importer, something which no government has a right to take into account. It would be safe to say that for every dollar collected from large importers, two dollars or more are collected from the consumer on the very same articles imported in the same quantities. To illustrate this point, I will take as an example any common household utensil, particularly kitchen hardware, which seems to lend itself best to this sort of manipulation. I will set out the status, the discount allowed, the rate of duty, the value for duty, the amount of duty, and the sales tax on these articles as paid by the varying classes of importers. The list price to all is $100. To the small dealer there is a 50 per cent discount plus 15 and 5 per cent; the rate of duty 30 per cent; the value for duty then becomes $40.38, the duty $12.11, the sales tax $3.14: the total cost to this importer would be $55.63. To the large dealer there is a discount of 50 per cent plus 15 and 10; the value for duty would be $38.25; the duty itself $11.47; the sales tax $2.98, or a total cost of $52.70. To the departmental store the total price would be, $49.71. To the jobber there is a 50 per cent discount, plus 15 and 20; the value for duty in that case would be $34.01; the duty $10.20; sales tax, $2.65, or a total of $46.86. Now, to the consumer, for customs purposes no trade discount is allowed; it does not matter what quantity or what the class of goods may be; so the value for duty is $100; the duty itself is $30; the sales tax $7.80, or a total of $137.80. You see, the consumer has to pay $137.80 for what the others get at from $46 to $55. These widely divergent values for duty of the same article purchased in varying quantities by dealers and consumers are governed by sections 40 and 41 of the Customs Act, which read as follows:

Section 40. Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof when sold for home consumption in the principal markets of the country whence and at the time the same were exported directly to Canada.

Section 41 reads:

Such market value shall be the fair market value of such goods in the usual and ordinary commercial acceptation of the term and as sold in the ordinary course of trade.

I think this last sentence gives the authority to classify the different citizens. In the first instance the manufacturer is protected all that he asks, namely, 30 per cent as against the large importer, and as against the man who pays the impost, the consumer, about 90 per cent. In the second case the situation is more glaring, as the protection afforded the manufacturer is a shade over 150 per cent. I would alter sections 40 and 41 to read as follows:

Whenever any duty is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof, when sold for home consumption, by the manufacturer thereof in quantities taking the maximum discount allowed by the manufacturer, in the principal markets of the country whence and at the time when the same were exported directly to Canada.

The value for duty of goods, when subject to any ad valorem duty, imported under other conditions than set out in the foregoing section, shall be the fair value of such goods as sold at the first sale in the principal markets of the country exporting same directly to Canada.

Then section 41 would follow, further confining the transaction in terms of trade. I believe in free trade, Sir, but if we are to have a tariff at all let us by all means get rid of these injustices, such as the classifying of citizens in the application of the law. It is not the right of any government to discriminate between one citizen and another. That is not government; I would call it brigandage. If every citizen—and here comes the chief objection—was on an equality as regards the law, the chain of privilege, of which the politician forms the chief part, would be badly shattered. I have reason to believe that even the members of the cabinet, or many of them, are unaware to-day of the methods used to fleece the workers of this Dominion. The hon. member for Nanaimo (Mr. Dickie), speaking the other day, almost pitied the misguided members of the Progressive party in their plea for freer trade, but I venture to say that he himself has no idea of the extent to which the privileged class of this Dominion enjoy protection. Many of them, in fact, are protected against importations by consumers to the extent of about 150 per cent. I ask, Sir, is it any wonder that under these conditions our young men and women are going to the United States, a country of protection, it is true, but where callousness is not embodied in legislation as it is in Canada?

For the year 1924 the per capita rate of duty in Canada was $14.65; during the same year in the United States it was $4.86. These figures have been taken from the Canada Year Book and also from the report of the Secretary of the Treasury of the United States. The hon. member for Vancouver Centre (Mr. Stevens) said that the tariff of the United States was about three times as high as that of Canada, but it is quite the other way. In 1924, $135,122,345 was taken in through the customs tariff, but it cost the country two and a half or three times that amount to collect it. This amount was collected on imports valued at $640,000,000, but the consumption of home manufactured goods was over $1,608,000,000, or just about three times as much as was imported. That would mean that the tariff cost the people of Canada last year some $391,000,000, only $135,000,000 of which went into the Dominion treasury. Over $256,000,000 went into the pockets of the privileged class, for which the people got nothing in return.

Sir Richard Cartwright calculated that the first thirteen years of tariff protection after 1879 and up to 1893, when the great Liberal convention was held in this city, took a billion dollars out of the pockets of the people for which they got no return whatsoever. During some of that time Canada had less than four millions of people. Industry in Canada does not need to lean as it does on agriculture; it is quite capable of bearing its own burdens. Yesterday I came across an advertisement of the Brantford Cordage Company which is very illuminating in view of the deathlike howls from the Conservative party in this House. The Brantford Cordage Company claims on its own admission to be the greatest concern of its kind in the British Empire. The advertisement says:

> The Brantford Cordage Company is an old-established business which started operations in 1901. The company now owns three mills, occupying seven and one-half acres at Brantford. It put into operation, last January, the third new mill with most modern equipment, increasing its productive capacity fifty per cent. The business has steadily expanded until to-day it is the largest manufacturer of binder twine in the British Empire.

We all know that twine is on the free list; there is free trade in twine. This is an advertisement offering shares to the public at eight per cent. The advertisement is very interesting in view of the fact that most of our manufacturers say they cannot live without some help from other industries. This is an industry standing on its own feet and not only that, it is doing very well, despite the fact that it is burdened with the high cost of production due to the high cost of living in a protected country.

In conclusion, I wish to say that there is one thing that must be done. When Right Hon. W. S. Fielding brought in the first budget of this parliament, he emphasized the fact that we would seek reciprocity with the United States. I wonder what the government has to say that it has done during this last three years to bring about that measure which would be so beneficial to the whole of this country. We would like to know. The natural market for the cattle of this country is in the United States. They have the means of finishing beeves there that cannot be attained with the same ease and profit in any part of Canada, owing to the climate and the irregular rainfall over much of the agricultural parts of the Dominion. In the middle states, where corn is grown to such an extent, there is always a great supply of the feed necessary to the finishing of beeves. They want our store cattle, which can be raised with ease and profit in western Canada on the tremendous surplus of roughage consequent in any grain growing area. I think, Sir, that everything should be done to bring about the freest kind of trade that is possible with our neighbours to the south. It is no use talking the way our friends of the opposition do and place an embargo on the export of everything we have to sell. We have done plenty in years gone by of this nose-cutting business. The prosperity of this country lies in the greatest freedom of exchange that is possible to arrange with all countries, and while we would like to have free trade within the empire, the destiny of this country lies very largely with our neighbours to the south.

I think, Sir, one of the means of attaining this end will be to appoint a representative of this government at Washington, and I would urge on the government the necessity of doing this, and that we should not do anything further to create enmity and ill feeling between ourselves and the people of the neighbouring country, which should prove the best market for our agricultural products.

I would like to remind the government that their own political platform is a contract which they have violated so far. The budget is to-day a violation of their own principles. I can never understand the attitude of men who believe that any contract when openly and

honestly entered into can be violated without any excuse or under any set of circumstances with advantage to those who offered it as their pledge.

On motion of Mr. Milne the debate was adjourned.

On motion of Mr. Graham the House adjourned at 1 a.m. Tuesday.

Tuesday, April 28, 1925

The House met at three o'clock.

REPORT

Third report of the select standing committee on Miscellaneous Private Bills—Mr. Mackinnon.

OLD AGE PENSIONS

Mr. H. A. FORTIER (Labelle): I have the honour, Mr. Speaker, to lay on the table of the House a petition from the council of the township of Marchand, praying for an act to provide for old age pensions.

THE WAR CHARITIES ACT, 1917, REPEAL

Hon. A. B. COPP (Secretary of State) moved for leave to introduce Bill No. 47, to repeal The War Charities Act, 1917.

He said: The War Charities Act was passed in 1917 entirely as a war measure. It provided that all associations collecting moneys for works of charity during the war should be licensed, and that a register should be kept in connection with these organizations; it was also provided that returns should be made to the Department of the Secretary of State every six months in regard to the work done, showing what moneys had been collected and what disposition had been made of them. During the war 846 of such associations were licensed, and, of these, since the close of the war 671 have been dropped from the register, being no longer in existence. There are 143 associations now under license as chapters of the Imperial Order of the Daughters of the Empire, and these are practically all the organizations at present under the licensing system. It has been deemed advisable to repeal the act, as it is felt that the system of licensing such associations is no longer necessary and is only a burden on the women working in these organizations. The officials of the department have advised me that there is no longer any necessity for this particular statute.

Motion agreed to and bill read the first time.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): Is the government aware of the establishment recently of a national committee for the relief of the Nova Scotia miners? If so, will the government take into consideration the possibility of extending financial assistance to that organization?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am sure that every hon. member will be pleased to know that a national organization has been formed for the purpose mentioned, and will hope that it may be successful in its efforts. I do not see, however, that the formation of such an organization should be expected to change in any particular the attitude which the government has taken in this matter, from the outset.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Monday, April 27, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. ROBERT MILNE (Neepawa): Mr. Speaker, in rising to make a few remarks in this debate I cannot help referring to the changed attitude in certain sections of this House during the last two or three sessions. If the pictures that have been painted of the calamity that has overtaken Canada and the glowing scenes that have been depicted of conditions prevailing in the United States and France are to be taken as a test of patriotism, then I think the Progressives are entirely exonerated from reproach for any unpatriotic speeches that have been made here at any time. Our Conservative friends have certainly painted a very gloomy picture of existing conditions in the Dominion; on the other hand, the government and its supporters have endeavoured to convince us that members of the official opposition were entirely wrong and that everything was running along satisfactorily. Now, I do not like to believe that conditions are as bad as they are pictured by our Conservative friends, and at the same time I am sorry that I cannot believe they are as rosy and as satisfactory as pictured by the government and its supporters. Knowing that agriculture is the basic industry of the Dominion I feel perfectly

satisfied that other industries cannot be more prosperous than this basic industry. I know the conditions of our agricultural sections, and therefore I am forced to the conclusion that things are not as good as we would like to see them. Undoubtedly many of our citizens are leaving their country for the United States, and our tax burdens are too heavy; but our main trouble is that we cannot sell our commodities at a profit.

The causes for these unsatisfactory conditions are not all to be laid at the feet of the present government. No doubt world conditions have had a considerable influence in causing the depression which we are now experiencing. On the other hand, it must not be forgotten that in the past there has been a good deal of blind optimism in running our national affairs, and in addition for the last thirty or forty years there has been considerable unsound financing. By blind optimism I mean that our railways were constructed fifty years ahead of our requirements, and many of our public buildings have been erected in an extravagant manner and equally far ahead of our needs. These huge expenditures that were never warranted are to-day imposing an extremely heavy burden on our citizens, a burden which will have to be borne for generations to come. We have heard a good deal about our huge national debt of $2,400,000,000. This debt has increased since 1911 by five hundred per cent. A good deal of the increase has been attributed to our war expenditure and the cost of demobilization. If we deduct the moneys paid out on this account, we find that we still have an increase since 1911 of over 135 per cent. The expenses of government have increased from $122,681,000 in 1911 to $344,221,000 in 1923, or about 173 per cent. While this mountain of debt has been piling up what provision have we been making to meet its payment? It is true our population has increased from 7,206,643 in 1911 to 9,082,000 odd in 1924, or about 25 per cent. Since 1867 our national debt has been reduced only nine times, the reductions totalling less than $80,000,000. There has been no attempt to establish a sinking fund to meet maturing bonds and to take care of depreciation, or anything of that nature. We have followed since confederation the insane policy of borrowing money to pay the interest on our debt. We know very well that if a business concern adopted such an unsound practice it would be only a very short time before it would be bankrupt.

[Mr. Milne.]

While this insane financial policy has been pursued, what has been happening to our natural resources? Our farms have become depleted of their fertility; we have plant diseases, insect pests, weeds and many other things established in our soil; and these are going to increase our cost of production tremendously. What is happening to our forests? Large areas have been wiped out entirely. I refer especially to the forest areas of the western provinces. The country has suffered the loss in order that certain influential individuals might become immensely wealthy. What has this depletion brought in its train? I could show hon. members areas in the western provinces through which flowed streams that had their source in the forests and watered our prairies for miles and miles. To-day those streams run only for a very short time in the spring, thereby depriving many districts of a regular water supply.

Mr. ARTHURS: The hon. gentleman, I am sure, is making some very interesting remarks, but we in this end of the House have not been able to hear him.

Mr. SPEAKER: I would direct the attention of hon. members to the fact that there is so much private conversation going on in the chamber that I myself can hardly hear what the hon. member is saying.

Mr. MILNE: I will try to make hon. gentlemen hear, but I fear it is impossible to drown the conversations that are being carried on.

I was speaking about the streams having dried out due to the forest being cleared away in some of our prairie sections. Besides, we are informed—and we believe it to be true—that the presence of forests has an important effect upon the extent of our rainfall. Through the wiping away of our forest areas in the prairie sections our rainfall has decreased, and that is one of the things the prairie provinces need in the very worst way.

What has been happening in our mines? We are informed that certain coal mines have been drawn on to such an extent that it is necessary to go several miles under the sea to secure the coal, thereby increasing the cost of getting it to the head of the mine. I may say just here that I am decidedly opposed to the increased duty on coal. I am not an admirer of the dole system, but I would rather dole out assistance to the miners if I know it is going right to them than to dole it out to a corporation or company which has absolute control of the whole situation, there

being no assurance that the workmen of our country will reap the benefit of the protection afforded.

Mr. LOGAN: Is the hon. member aware that there are a large number of independent coal companies operating in this country?

Mr. MILNE: Yes, I believe there are, but what I say to one I say to all. What has been happening to the fisheries? A good many of our lakes throughout the Dominion are fished out. We used to hear of tremendous catches of salmon in the British Columbia streams, but to-day, I understand, many of the canneries that formerly operated there have had to shut down owing to the want of fish. It is essential that large sums of money be spent in the very near future to replenish our supply of fish in order to keep this industry going.

Mr. LOGAN: Why keep the fishery industry going if you are not willing to keep the coal industry going? The coal companies to which I refer have been working from one to three days a week for the last year and a half. Is the fishing industry to receive assistance and the coal industry to receive none?

Mr. MILNE: That is a very pertinent question, I suppose, especially when a man is interested in coal mines. You cannot make coal; but no departure from policy is involved in the suggestion that the streams and lakes of our country be replenished with fish, the policy is regarded as a sound one and there is no question in my mind that it will have to be carried on to a greater extent than it has been in the past.

In any reference I make to our resources being depleted, I do not mean to intimate that they are practically exhausted or anything like nearly wiped out. We still have unlimited natural resources, but the resources that were easily accessible, Mr. Speaker, are practically gone, and the production costs of all these basic industries have been greatly increased. The sorry part of it is that instead of making some reservation while these easily accessible resources were being exploited, nothing was done in that direction and our liabilities were increasing all the time while the resources were being depleted.

It seems to me we have been wallowing around in financial difficulties long enough and that we should turn our faces the other way and head for some solid ground. All the conditions I speak of have been brought about while we have been following the old policy of protection. There has been very little difference between the tariff policies in force in this country as far back as I have been able to get information. From 1915, up to the last few years the highest average duty on our total import was 26.1 per cent; to-day it is about 22.3 per cent. As a matter of fact a few years ago it was down as low as 20.5; in the last two or three years there seems to have been a slight increase. But I do not consider that these slight fluctuations are due to any change in policy; the policy, so far as we can ascertain, has been practically the same. When one party was in office the other was advocating lower duties, but when those in opposition got into power the other party promptly started off on the same tack. My observation has convinced me that both the Liberals and the Conservatives are protectionist parties. Some try to get under the flag of low tariff, but they have a hard time to establish themselves there and an even harder time to convince the people that they are sincere.

Let me deal for a few moments with agriculture and agricultural conditions—and I do so because I have been familiar with those conditions all my life. In this respect I may depart from the general method that is followed in the east, because from what I can gather it would seem that most people in this part of the country like to talk about agricultural conditions when they know very little about them. Agriculture is one of the most important industries of our country. It is our basic industry—and you do not have to go very far these days before you get conclusive proof of that. During the Easter recess I was visiting around the country a little, and every business man I spoke to about business conditions would say, "Oh, if the west gets a good crop this year, things will be all right; we shall be on the royal road to success." I have heard that, I would not like to say how many times, but at least a dozen times during the last six months. That convinces me more than ever that agriculture really is of vital importance to the country. Our friends in the government do not seem to lay much stress on agriculture this year, that is, if we are to assume that their sympathy is indicated by the proposals in the budget, but some of the officials in the government service apparently realize its importance. I will read an extract from Seasonable Hints, No. 31, March, 1925:

> Canada's prosperity depends largely on agriculture, and in turn agricultural prosperity depends on our ability to satisfy local markets and produce a large surplus of superior quality for export. Unless this surplus is produced at a cost per unit sufficiently low to compete with other exporting countries, then our export trade, in fact our agricultural prosperity, is curtailed if not doomed.

I say that when our agriculture is doomed there is not much hope for Canada's prosperity.

Agriculture leads in our products exported. The total exports of agricultural products, including raw, partly manufactured, and manufactured, amount to $527,807,628; products of forest origin, $273,603,598; products of mineral origin, $170,686,286; of marine origin, $30,988,812. I think that is a sufficient reason why agriculture should receive consideration, and I propose to deal with it for a little while.

What are the farmers of Canada doing? The value of their total field crops has increased from $899,834,000 odd in 1923 to $995,234,000 odd in 1924. Our butter production has increased from approximately 126,834,000 pounds in 1923, to 182,287,000 pounds in 1924. There has been a slight decrease in the amount of cheese produced. Then as to the total value of our live stock—and I might say that I did not try to get the numbers, because to give the numbers in each particular class of live stock would have meant giving a lengthy list of figures—the total value of our live stock in 1923 amounted to $613,260,000, and in 1924 to $641,144,000. That shows an increase in the value of our live stock, and at the same time the price per animal was somewhat less than in 1923. Our poultry also shows a substantial increase.

I want to be pardoned for referring to Manitoba specifically, but I do this for the reason that the western provinces are continually being accused of "wheat mining"; that is the term that is invariably used, especially in eastern Canada. I will give you figures to give you an idea of what Manitoba produces. In 1924 her total field crops were valued at approximately $136,000,000. Her total wheat crop was valued at $55,296,000. That shows the proportion of the wheat crop to the total field crop. Other field crops that were produced in Manitoba were fodder corn to the amount of $2,070,000; potatoes, $2,063,000; hay and clover, $5,320,000; turnips and mangels, $549,620; alfalfa, $206,000. Other cereals produced were: oats, approximately $33,250,000; barley, $28,500,000; rye, $6,000,000; flax, $6,500,000.

Manitoba has increased her number of cattle holdings from 691,000 odd in 1923 to 710,000 odd in 1924; sheep have increased from 93,000 to 95,000; swine from 291,000 to 425,000; poultry from 3,289,000 to 3,693,000 odd. Her butter production has increased from 10,730,000 to 12,632,000 pounds; her cheese from 231,000 pounds to 500,000 pounds; her honey production from 66,047 pounds in 1920 to 1,302,000 pounds in 1924.

Mr. PUTNAM: What does her grain aggregate?

Mr. MILNE: Our wheat crop was valued at $55,296,000. Does that answer the question?

Mr. PUTNAM: Does that include all grains, oats and barley?

Mr. MILNE: No, just our wheat crop. Our oats amounted approximately to $33,250,000, barley, $28,500,000, rye $5,750,000, flax $6,500,000.

Mr. PUTNAM: What was the total production in buckwheat?

Mr. MILNE: I have no information as to buckwheat.

Mr. GARLAND (Bow River): Was that export value?

Mr. MILNE: I could not say. I have given the House these figures to show that Manitoba is not a "wheat mining" province, as it is generally considered to be. The farmers of Manitoba are producing live stock and dairy products, and are developing practically every branch of agriculture that can be followed in that country, and with the exception of fruit I think they have nearly as wide a range of production as any other province in the Dominion.

Now, do the farmers of Canada know their business, or are they really working at something they do not know anything about? We would be inclined to think from what we hear sometimes that we did not know very much about our business, but I want to put on Hansard the number of prizes that Canada has won for her live stock at the International Fair in the last three years. In 1922 Canada won at the International Live Stock Show at Chicago 30 first prizes, 28 seconds, and 26 thirds; in 1923, 42 firsts, 40 seconds, and 32 thirds; in 1924, 68 firsts, 47 seconds, and 35 thirds. I ask you, Mr. Speaker, do the Canadian farmers know their business? I think the figures I have given will answer the question definitely; our Canadian farmers are producing and their products are of a high quality. But they are not doing this without considerable effort. There are many toilworn hands on the farm; there are many stooped shoulders that have been accomplishing these things, shoulders that will never straighten. There are many women on our Canadian

farms that I pity. I would rather not say what I am about to say, but I believe that unless these things are known we shall never be able to solve our problems. Here are the conditions that exist. I can take hon. members to many farms where the women milk daily seven, or eight cows, feed calves, and keep a flock of from a hundred to a hundred and fifty chickens. Besides doing these things they are raising a family and looking after the home. Now, what are these women getting in return? The farmer's wife works night and morning, Sunday and Monday throughout the year. But if she wants to get a power washing machine to lighten the labour in the house she is taxed 30 per cent. I believe the rate is 25 or 35 per cent. If she wants to exchange her butter or eggs for a pair of boots or some woollen underclothes for the children she is taxed 25 to 30 per cent. But, besides this, after that woman has gathered her five-gallon can of cream and taken it to the dairy, the government planks a two-cent tax on the paltry little cheque of probably $2.50 or $3 which she receives for her cream. I think when we come down and consider the facts as they are to-day in our country we find conditions that are really disgraceful. The farm woman's small cream cheque of two or three dollars is taxed, but a cheque for three or four thousand dollars is not so heavily taxed speaking relatively. I certainly think that this stamp of two cents on a cheque for $2 or $2.50 is—

Mr. FORKE: The last straw.

Mr. MILNE: Yes, very nearly the last straw. And what is she offered in compensation for that? Cheaper grape fruit for breakfast. In a nutshell that is what the hard working farmers are getting to-day from this budget —an additional tax of two cents on their cream cheques and a reduction on grape fruit. But perhaps I had better make that statement clear. I imagine there are some people living in the east who use grape fruit every morning for breakfast, but it is not a common article of diet for the farmer's breakfast; I do not believe there is one farmer out of five hundred who ever eats grape fruit at his morning meal.

Mr. FORKE: Porridge.

Mr. MILNE: His breakfast consists mainly of oatmeal. Now the farmers are doing their share and are willing to continue doing so; there is not a respectable farmer in the whole country but is willing to do his share. There are exceptions to every rule, but generally speaking that may be said of the farmers of the country. Now, you may tell me that the farmers in western Canada, and even the farmers in old Ontario, have made money in farming and consequently my argument absolutely falls to the ground. As to that I want to say something about the changed conditions in farming, and I am not going to deal with Ontario specially, because Ontario went through the condition I have in mind a good many years ago and the situation there now is entirely different from what it is in the west. Perhaps my description is applicable to sections of Ontario as well, but I am going to apply it more particularly to the west because I am better acquainted with conditions there. In the west twenty years ago we had cheap land, we had free homesteads and we could buy land at from $2 to $5 an acre. To-day in the west we have to pay from $20 to $50 an acre for our land. Twenty years ago we had big yields; there was no difficulty in getting, for example, forty bushels of wheat to the acre, that was quite a common thing; and if we did not get thirty-five bushels to the acre we thought Providence had been hard on us. What do we get to-day? Fifteen or sixteen bushels to the acre. That falling off is caused, as I mentioned before, by various plant diseases, for example rust. We cannot estimate how rust has diminished the value of our grain crop. We have plant diseases, we have plant insects, and we have weeds. These things were unknown twenty years ago. Then too at that time we had low taxes. I can remember when our municipal tax amounted to $5 on the old homestead. What is it to-day? It amounts to a neat $100. I know of quarter sections in western Canada where the farmers are paying $130 a quarter section and where there are probably only forty or fifty acres under cultivation out of one hundred and sixty. In those days only a small capital was needed to enable the farmer to carry on; to-day a huge capital is necessary and he must have recourse to borrowing. Most of the farmers are compelled to borrow, and they have to pay from 8 to 10 per cent interest on the loans they get. At that time also fuel was cheap. There were few sections of Manitoba where we could not get our fuel from the woods in a day's drive. To-day we have to buy coal, and to relieve that situation an increased tax of fifty cents a ton has been placed on coal. Furthermore, at that time we had cheap building material. The farmers could haul logs from the woods and build their outbuildings and—even, as a good many did—their homes, log houses which were very comfortable and very good in their day This facility

is not available to-day; you have to go to the lumber yard and buy lumber at $50 and $60 a thousand in order to get your home established. Then, taking the cattle industry into consideration, years ago we had all kinds of pastures. We could go out into the meadows and cut around as much hay as we thought we could put up, and we would have plenty of hay to feed our stock. The cattle were turned out in the spring, and roamed over perhaps a section or two near by—free pasture. What have we got to-day? We have to confine our cattle to our own land which is probably worth $30 or $40 an acre, and we have to provide hay off our own farms. These are the changed conditions that we have to face to-day; they are entirely different from what they were twenty years ago. I will admit that under the conditions which formerly prevailed the farmers were able to pay the extra burden of taxation that was thrust on them and perhaps did not feel it. But to-day the farmers are suffering from a tremendously increased cost of production and are groaning under the load. I do not mean to say that the present government is responsible for these conditions, but I say that these conditions cannot be remedied without an effort. While I appreciate the work of our press I desire to say that as long as the hand that controls the pen is directed by others, the press is not going to help us very much in solving our problems. I do not want to say anything about other organizations that are in existence. We find these organizations more in the industrial section of Canada than in the west, but if we are going to solve our problems we want the help of everybody. The people have got to help themselves so far as they can. We cannot expect better conditions on our farms and in our agricultural districts unless we have a diligent and careful people, and I maintain that generally speaking we have. We must be ready to adopt better methods of farming; we must be ready to co-operate in every possible way to promote the community or Dominion interests. Unless we can do that we cannot expect prosperity. No family can get along if one member of the family takes all the cream for his porridge. Dad will look after that; he will spread the cream around But if Dad takes all the cream for himself, what will happen? The youngsters get out as soon as they can. That is the condition existing in Canada to-day. Unless the provinces of the country are prepared to deal justly with one another, we cannot expect good results; but the fellow who is getting the skimmed milk is going to press for justice. I claim the government, instead of following a fiscal policy that will encourage special privilege should be doing just the very opposite, they should prevent such a thing as that occurring. I am satisfied that the tariff has had a lot to do with the condition that exists in our country to-day. We cannot hope to increase the price of our products, because the price is set in competition with the world; it is hopeless to assume that we can do that, we cannot do it by any system of taxation or anything else that I know of. The only alternative we have is to lower our cost of production, and in order to do that we have to look for cheaper production costs, and I maintain that the tariff is one of the main things by which to bring about that result. If we had cheaper implements of production and cheaper necessities of life, it would materially assist in cheaper production.

The credit machinery of our country never was adopted for the agriculturist. It is just about as applicable to the farming industry of our country as a clover huller would be to husk or shell corn. I say that a three or four months' credit was never adequate for the agricultural people, and the day for the mortgages maturing in three or five years is past and gone so far as agriculture is concerned. I am not going to deal with the credit phase of the question very much because I do hope that the government will take some action this session. Last year we were living in hopes all session; this year we are still living in hopes. I merely mention the matter to impress on the government the necessity of taking some steps in this direction. Many farmers in our country have given mortgages bearing eight, nine or ten per cent. Very often you will meet a farmer, who will tell you, "Well, I have been able to pay the interest on my mortgage this year, but have not been able to pay any principal". I claim that the interest he is paying at the present time should amortize that whole debt in twenty-five or thirty years. In that event he would have some encouragement, whereas at the present time he goes on paying interest and at the end of twenty or thirty years his debt is just as great as ever. Something must be done, otherwise many farmers will become insolvent and leave the country. We were looking for some remedy last year; I believe the Banking and Commerce committee recommended that the Bankruptcy Act be amended, and I would certainly advocate that that action be taken as early this session

4 p.m.

as possible. We have thousands of farmers leaving our country and our Dominion simply to get rid of their debts. The creditors might just as well make some arrangement and free these men of their debts, because they will never get anything out of them any other way. Cheaper credits would naturally reduce our cost of production.

Transportation is another big problem and requires immediate attention. When we consider the amount that is taken out of our product in getting it to the ultimate market, we realize how important it is, especially to western farmers, who are located far inland. We have a national railway which was left on our doorstep by private enterprise. I say by all means transfer some of the capital of the National Railways to our national debt or to some other account. I do not know what you would call the "other" account unless you call it the "political bungling" or "campaign" account. I am pretty well convinced that if the government had been true to the people of this country an account of this kind would have been opened long ago. The load that is tied around the neck of the Canadian National Railways has very little to do with the value that is in the National Railways, and I say by all means get rid of that. Until we can get rid of it, we will have to pay interest on the bonds, no doubt. But why burden the National Railway in its management when no private corporation could carry on with that load? If the road had gone through the ordinary court of bankruptcy we would have had the debt added to our national debt but it would have been off the railway. I say therefore that when transportation is of such vital importance we cannot afford to strangle our carrying system or to allow it to be crushed under any unjust or unfair load.

There is a suggestion that the National Railways should be taken over by the Canadian Pacific, and that is something to which I would be absolutely opposed; I would oppose any such bargain. I do not think it would be in the best interests of this Dominion to have a monopolistic corporation of such magnitude operating a public utility such as our railways. Perhaps the ideal condition exists to-day from the standpoint of stimulating an efficient management; we have one road privately owned and one road publicly owned, and satisfactory results should accrue from such a condition, if some regulating agency will prevent duplication of service and extravagance of equipment. We cannot allow wasteful competition to continue. I think that there should be some control by means of which the duplication of train service might be eliminated, and I should also like to see such a measure of control as would cut out some of the extravagance that now obtains in connection with some of our palatial office buildings as well as in the matter of dining car service, hotel service, and Pullman car service. The companies will tell us that the Pullman, dining car and hotel services are run at a loss, and I see no reason why we should continue to carry these conveniences at a loss. If the people who demand this class of accommodation really want it they should pay for it; there is no justice in making the citizen who rides in a day coach and eats from a lunch box pay for the exclusive service which is provided in the Pullman and dining cars and in the hotels. I would advocate action, and immediate action. Last year it was rumoured that something would be done to get the heads of the railways together. Well, they have been together and have parted again, and so far as I know and the Dominion knows we are no further ahead now than we were before in the matter of reducing useless competition. Frankly, I do not believe that the heads of the railways would care to have any interference in their affairs; they have a big job and they have a complete staff to do the work, and I do not think they are apt to invite us to interfere with them. But I claim that we should interfere to the extent of regulating things to some degree. If we cannot carry on the two systems under separate management, efficiently by some means of regulation, then by all means let us bring them under one head and make the joint system a publicly owned affair. We cannot continue under existing conditions to lose $50,000,000 a year, when we might be saving at least $100,000,000 a year, according to figures quoted in the House yesterday.

I shall now touch briefly upon the soldier settlement problem, which is of vital interest to the agriculturists of western Canada. I mention western Canada again because I am more familiar with conditions there than I am with conditions in the east, the same thing might apply in this connection to the newer parts of Ontario and other provinces. Here is the condition of affairs. When the soldiers were established on the land it was necessary to build schools and construct roads; and other things that go to make up a community had to be done. In the province of Manitoba, over twenty-five per cent of these farms have been vacated, and I know certain municipalities in which as high as sixty per cent of

such lands have been abandoned. What load does that throw on the rest of the people who are left there? We have to maintain these school systems and carry on all the community work, and we must keep up the roads that go past the idle farms. This is an absolute burden on the people who are left. The burden becomes almost unbearable. I certainly think that the municipal taxes should be paid by the government on vacated lands. There is an objection to that; it is held that if this were done in one place it would have to be done elsewhere as well. So far as that is concerned, I notice an item in the Auditor General's report which strikes me as being almost parallel with this, that is to say, in the matter of road construction. I understand that in Peterborough the city wanted the street repaired past some of the public buildings there, and the government here appropriated $1,163 for the purpose of carrying out the work. It is held that there was a precedent for this grant, although the Auditor General questioned that claim. Let me ask this question: Is the city of Peterborough any more entitled to a road past that government property than the people in my municipality are entitled to a road past a quarter section there?

I have endeavoured to show in my remarks that instead of trying to increase the price of the farmers' products we should try to decrease the cost of production, and that this could be brought about by a lower tariff on the implements of production and on the necessaries of life. Cheaper credits and cheaper transportation if possible, would also assist materially in cheapening production. There are other things that have to be considered, and I want to give everyone credit where any credit is due. I am glad that the Minister of Agriculture (Mr. Motherwell) is in his seat, because I am going to say that in my opinion the Department of Agriculture and its officials are doing a really valuable work from the point of view of investigation. I do not approve of all that is done on the experimental farms; a good deal of the money spent in this direction could be utilized to better advantage in other ways. The work that has been carried on by the plant and animal pathologists is I think excellent, and we cannot do too much to develop it. We have been so far devoting all our energies to increased production, which is all right; but we should not forget the importance of distribution and marketing. It costs more than half the price of our agricultural products to distribute them to the ultimate consumer; that is, the railway companies, the commission men, the merchants and the retailers get more than the producer. I believe that we should have an economic expert to study the problem of distribution, a system might be evolved by which a considerable saving could be effected. Up to the present time it seems to be nobody's business to bring about economy of distribution; everybody steps in and takes a slice wherever he can, thus adding to the ultimate selling price. I think some of the work that is being done to-day by the Department of Agriculture might well be dropped in favour of a study of a more economic system of distribution. And this study should not be confined to the products of the farm; I think the economic distribution of manufactured goods should be included. It is rather startling to compare the manufacturers' price with the retail price. A short time ago I met the agent for a company that makes trousers, and I was surprised to note the difference between the prices at which he was selling his goods as compared with prices the consumer pays. Therefore I think the manufacturer could well afford to make a careful study of the economic distribution of his products.

I do not propose to discuss the amendment to the budget. To my mind, it is like the chip in the Scotchman's porridge—it does not amount to much. What I would urge most earnestly is this—if we expect conditions to improve in this country we must stop throwing mud at each other, and seek a common basis to solve our national problems.

Mr. PIERRE F. CASGRAIN (Charlevoix-Montmorency) (Translation): Mr. Speaker, the period preceding a new budget is always attended by a certain expectant anxiety. Some desire the enforcement of certain restrictions which will protect them against competition; others want greater trade facilities and lower prices on everything necessary to their own industries; every hon. member strives to obtain for those he represents all that he possibly can to make life pleasant for them. It is the duty of the government to listen to all the representations made, to lend an ear to the legitimate claims of the members of the House of Commons who represent the constituents of the various ridings and then to bring before the House the measures that it considers in the best interests of a majority of the population of the country. Hence, the budget, whatever its nature, cannot appeal alike to everyone.

Last year the government made certain changes in the tariff which chiefly affected the implements of production necessary to the development of the natural resources of the country. The benefit of these changes accrued

largely to the agricultural community; this was in the nature of an encouragement. One may say that the budget of last year raised the morale of the farming class. The Tories were dissatisfied; they claimed that the government went too far in reducing the tariff and that the downward revision was contrary to the best interests of the country. This year the government has not touched the tariff; but the Tories are still not pleased and we even hear that a goodly number of the Progressive members who represent a considerable part of the west, are not altogether satisfied either. As regards the Tories particularly, the government has merely followed the advice emanating from that quarter last year, that is, to call a halt in the downward revision of the tariff which the government had begun, to protect the interests of the farmers. This year we have almost completely attained the tariff stability of which there was so much question two years ago, which the opposition demanded then and is still demanding now. I believe it was the hon. Minister of Marine (Mr. Cardin) who said recently in Montreal: "No matter what we do, we shall never be able to satisfy the Tories". I may add that when the Last Judgment comes, when we are about to receive our eternal reward, there will still be critics and malcontents and I feel quite sure that we shall find the Tories among them.

Representing, as I do, a constituency where the chief activities are farming and fishing it is once more my duty this year, as it was last, to support and congratulate the government and more particularly the hon. Acting Minister of Finance (Mr. Robb) on the budget brought down in the House. The export duty on electric power is most timely and is in perfect accord with the wise policy of the Quebec provincial government. The decrease in the duties on tackle and other material necessary to our fishermen of the Atlantic and the Pacific and of the lower St. Lawrence is sure to be a great help to this interesting class of our population. The duty on soft coal will benefit our friends of the Maritime provinces without undue interference with the industries in other sections of the country.

There is a new departure in the budget of this year: the Acting Minister of Finance has announced the appointment of a commission to study the tariff. I fully believe that such a commission may be very useful; but may I be allowed to express my humble opinion that the commission's powers should be purely advisory and that it should nowise decide the tariff policy of the government; this to my mind is the absolutely exclusive prerogative of the representatives of the people in the House of Commons. I therefore accept the second Robb budget, without the slightest reservation, as coming from a wise, prudent, honest and practical man of affairs. It is a budget which gives a reasonable measure of justice to all classes of society. For the second time the hon. minister has had the honour and the pleasure to present to the people of Canada a balanced budget, that is one which shows a surplus of revenue over expenditure, a feature unknown to this country for more than ten years.

Since the beginning of this debate most of the hon. gentlemen who sit immediately to your left, Mr. Speaker, the remnants of the Tory party, have done all they possibly could to paint the economic state of the country in the darkest colours. Were we to believe them, the country is at the end of its tether; the country is ruined! They are the worst calamity howlers one could meet. They are defeatists of the very worst kind and were it not that I might be accused of exaggerating, I would even say that the attitude they take before the House and before the country, spreading bad news the way they do, is not the attitude of real patriots and true Canadians, irrespective of what may be their race or creed. If a man should have faith in his country, there is assuredly nothing comforting in the attitude taken in this House by the members of the Tory opposition.

Now let us see if what they claim be true. If we look at the newspapers, especially at the financial page, we find rather that the country is doing pretty well after having been through the financial crisis brought on by the war and its aftermath which were so disastrous to our country.

C.P.R. Handles Big Hardware Train
Largest Shipment of Dairy and Barn Equipment Ever Sent West
(Special to The Gazette.)

Fergus, Ont., February 22.—The largest shipment of hardware ever made in Canada left the plant of Beatty Brothers, Fergus, on Saturday afternoon in a special Canadian Pacific train of 24 cars and was composed of more than 2,000 iron farm pumps, 1,000 step and extension ladders, 1,000 electric and hand washing machines and barn equipment for spring delivery to 700 dealers throughout western Canada, the invoice price of the shipment being more than $150,000.

And further in the same article:

The firm intend shortly to extend their Fergus plant, and will spend many thousands of dollars this year in an extensive advertising campaign.

Therefore the people have confidence.

In the morning Journal of March 24, 1925, Sir George Paish, an authority on economics, stated:

I anticipate high prices for Canadian wheat over a considerable period of years. Canada is ready now to increase her production greatly.

And concluding his interview:

I expect to see the Canadian farmer prosperous and the vexing Canadian railway problem solved through increased traffic.

There is another industry of which some members of the Tory party in this House said it was ruined. I am referring to the woollen industry which is operating particularly in Ontario. Well, here is what Mr. James Thompson, propagandist of the live stock division of the Department of Agriculture, stated in La Presse, last week:

However, the wool market is now 30 per cent better than in July 1924 and there is every reason to hope for futher improvement. As a matter of fact, there is a shortage of wool on the various markets of the world.

I want to quote another article from the same paper, La Presse, which I find in its issue of April 22, 1925. It may be taken as an answer to the hon. member for Parry Sound (Mr. Arthurs) who, a few days ago, asserted that the woollen industry had been ruined in his own district. Here is what La Presse said, among other things:

Woollen Industry on the Increase in Canada

The Trent River Textile, Ltd, is a new erterprise which is being organized and which will be financed by the Dominion Development Corporation whose offices are situated in Toronto and Montreal.

And further:

The company will erect, quite close to the factory of the Dominion Combing Mills, a mill with a complete modern equipment.

Therefore, hon. members can see that our industries are not yet threatening to fall, even in the good province of Ontario.

Now, if we glance over the other Montreal newspapers, say the Star, we shall find, in its issue of April 23, 1925, an article entitled:

Paramount Int. Rubber to operate at Farnham.

That is a new industry which is being introduced in our good province of Quebec.

Moreover, on April 18, 1925, The Montreal Gazette published an article under the following headings:

Improvements in trade conditions.

Building has started and hardware sales are increasing.

In that connection, Mr. Speaker, I am pleased to point out to those who contend that trade conditions are not very good in this country that in our good old city of Montreal where I have the privilege of living the greater part of the year, they are now putting up more buildings, great and small, industrial and others, than at any time in the past. Therefore it shows that the people have confidence in the future welfare of this Dominion and those who have invested millions of dollars in the building of factories and private houses are convinced that this country is not quite ruined.

Only recently in the district which I have the honour to represent, that of Montmorency, I received an inquiry about some pulp and paper companies that intend to operate at St. Joachim. I am also told that a company is going to build a mill at Murray Bay where they will be able to finish the product which they manufacture at their present plant

To anyone who wonders whether the country is in as bad a condition as some people claim it is, I would point out as reliable evidence the various newspaper extracts which I have quoted to the House and you will find many other similar ones in the financial sections of our great daily newspapers.

There is another important fact, namely that for some time, particularly for a year past, we always had a favourable trade balance; then, our Canadian dollar which was under par some years ago has now reached par and this never happened under a Tory government.

The Tories are greatly incensed on account of our people going away to the United States and they erroneously claim that it is due to the unsound policy of the present government. Let us see whether the United States are actually as prosperous a country as Canada.

I find, in La Presse an interview given to that newspaper, at Montreal, about a month ago, by Mr. J. T. Lord, of Worcester. He advises our people to remain at home. He says:

You may write, in large headlines, that our Canadians should remain here, if they wish to avoid hardships existing at present, in the U.S.

Further on, Mr. Lord, who is an American citizen, native of French Canada, a broker of Worcester, says that, notwithstanding the upward trend of business in the United States, the labour situation is not sufficiently advantageous to attract French Canadians who have far more chances of success in the province of Quebec.

Mr. W. D. Robb, Vice-President of the National Railways, on his return from a trip to the Pacific coast, gave out a statement of the same nature. This is what he says on the subject:

There are numerous Canadians in California who would, gladly, return to Canada if they had the means, for there is a great deal of unemployment in that state.

I was told that there are 200,000 Canadians in California; and I believe these figures are exact, for

wherever you go in that state, you meet Canadians. Most of them have learned that California is not quite the garden of Eden. They found out that the taxes were heavy. When the Canadian farmer has, perhaps, a $4,000 mortgage against his property, the farmer in California has one which varies between $10,000 and $20,000.

It is evident that the high protective tariff did not have in the United States the results expected and did not bring to the people of that country all that was hoped for.

There exist, in the New England States, certain cotton and woollen industries, which were very flourishing, in the past, and where many of our own people went to work. I find the following article published in L'Avenir National of Manchester:

The American Woollen Company is the principal factor in the woollen industry of this country, since it owns a great number of factories with a capital of $142,000,000. The result of its operations for 1924 shows a deficit of $6,944,000, and this before the payment of dividends on preferred and common stock was made. The dividends were met on preferred stock from the surplus previously earned, but they were discontinued, in September, on the common stock, owing to the small returns. The operating results of this company are typical of what were, in general, the results in the woollen industry, last year.

The situation was similar in the cotton industry. The Amoskeag Company which is as well known as the American Woollen Company had a deficit, in 1923, and it discontinued its dividends in 1924. Its last year's report has not yet been published.

Knight and Company of Rhode Island, one of the oldest and best known cotton companies, manufacturers of "Fruit of the Loom" a long and popular established trade mark, could not meet the interest on its consolidated debt, in 1924, and it is now operated by a committee representing the shareholders.

We, therefore, also find in the New England States, companies or corporations which became bankrupt. It is, therefore, not extraordinary that, in the province of Quebec, certain industries find themselves obliged to close their doors, and I think that we cannot give as a reason, the fact that the tariff was modified or that the government's policy was not fair and just.

A short time ago, I read in the New York Times of February 19, 1925, what follows—I do not know whether it is about the company that I have just mentioned:

American Woollen Deficit $11,969,837
Record Depression Shown by Annual Report, Against Profit of $6,660,212 in 1923
Stock Takes a Drop
Common Goes Down, Then Rallies, but Finishes at 2¼ Down for the Day

We have often heard, and much fuss has been made about it, on all the stages and platforms of this country, during the provincial campaigns as well in the course of the political campaign which is being waged, at present, by the Conservatives, who represent the old Tory party, that the French Canadians are emigrating to the United States and do not return; we have heard that they are crossing over the borders in great number and are a loss to the country. This is what the Citizen of Ottawa had to say on the subject, a short time ago:

Many Families Return to Canada

Brockville, Ont., Mar. 31.—During the fiscal year of the Department of Immigration which closed to-day, 248 former Canadians returned to this country from the United States through this port. Hardly a day passes, immigration officers state, without one or more families applying for re-admission to Canada at the port of Brockville.

The Ottawa Journal of April 22, 1925, thus expressed itself on the subject:

American Settlers Have Cash, effects
Many Are Entering Canada This Spring, Report States.

Further on we find:

This return shows that, according to United States figures, emigration from Canada to the United States for the month of February last fell off nearly two-thirds as compared with February a year ago.

All this, Sir, tends to prove that the emigration of our people to the United States is not as great as it is stated in certain quarters and that, at all events, the reports spread by those representing the Conservative party have been greatly exaggerated.

Allow me, Sir, to say a few words, now, on the subject of immigration. Without entirely approving an excessive immigration policy, I think that the country needs an immigration influx as we had in the prosperous days of the late Sir Wilfrid Laurier, our revered leader, whose policy had been crowned with so much success in this country, and was the cause of so much wealth and prosperity. However, I must caution the department that, notwithstanding the restrictions imposed, founded on the experience of other countries, and of a nature to protect us, they must not be carried out to excess. Each case may present special features which are worth studying in detail, and the findings should be applied accordingly.

In the course of this debate the question of railways was discussed more so than on previous years. Allow me, Sir, with your kind indulgence, to add a few words on the subject. The freight rates are too high in general, and, especially, as regards farm products. Ever since the government has adopted the policy of "fair trial" for the National Railways, to which it has pledged the political standing and future of all the members who support it, the government has, I admit, and I congratulate it, done all that was necessary and in its power to make the management of the National Railways a success, however, I cannot say that the results have been in proportion to the

hopes we entertained. Although there is a reasonable surplus on the yearly operations, we must nevertheless each year, disburse millions to help meeting the commitments of all the merged railways, and of which the government guaranteed the payments in becoming owners.

Let me, while on the subject, draw your attention to a strange fact and which, in my opinion, is an injustice towards the province of Quebec. It is, that although the province of Quebec, has never guaranteed any of the National Railways' bonds, not more than those of the Canadian Northern originally owned by Mackenzie and Mann or others, it pays, to-day, a large share of them, through the revenues which the Dominion government levies, in taxes direct or otherwise, from the province of Quebec and the French Canadian tax-payer of that province; and this to the benefit of the province of Ontario, and especially the western provinces, which, years ago, through an unwise policy, entirely pledged themselves by guaranteeing the bonds which they thought they could pay in the future, but which they never were able to meet, and that the Canadian government rendered themselves responsible for, when purchasing the National railways, merged in 1919. Quebec, per capita, has far less railways, than,—and not as good a service as,—any of the other provinces of Canada. However, when it comes to being stalled, Quebec is never forgotten. If it becomes necessary to do away with the service of a train, to dispense with a station agent during certain periods of the year, Quebec catches it like the others and as much as the other provinces. If it becomes necessary to extend a platform, to construct a side line necessary for the development and progress in a rural district, Quebec is always refused. Under the plea of economy, the development of certain parts of our province is impeded and prevented. If it is a question of giving a better service to certain parts, as for instance the peninsula of Gaspé, which my hon. friend (Mr. Marcil), has had the honour of representing for a number of years, the excuse is given that it is impossible to do more at present; is it found necessary to build a branch line or a new line needed, as in my district, from Murray Bay to Chicoutimi, it is impossible to do so now because of the deficits which we have to meet. In the district just mentioned, there is space to open up for settlement two or three new parishes, these cannot be established owing to the fact that we must economize so as not to increase the debt of our railways and to make both ends meet. This also prevents, in many cases, the members of the province of Quebec from obtaining recognition of certain claims that we have been putting forth for a number of years, and it also prevents us from obtaining the improvement of certain essential services for the development of our districts, for instance, the establishment of a boat service between Murray Bay, Tadoussac and intermediary ports, in Saguenay county, which I have the honour to represent in this House. I state that, when to pay these enormous deficits of our railways which threaten to perpetuate themselves, when, so as not to increase the national debt, we are obliged to refuse such works, which are necessary to certain districts, it is more than time to think of doing something to solve this great problem of our railways. It has become, to-day, Sir, the most important question. The government that will finally solve that problem will secure the universal and everlasting gratitude of the Canadian people.

Many proposals have been submitted. Again, yesterday, I was listening with pleasure to the chairman of the committee on railways, the hon. member for Waterloo (Mr. Euler), who was giving his views and telling us which, in his opinion, were the three proposals that could be resorted to. I have no technical knowledge as to how railways should be administered. I could not say which of the proposals he advocated yesterday would be the best, but I shall say that the people of this country are looking forward to one thing: the adoption of either of these proposals.

Only after we have succeeded in dealing properly with this important problem, will the people of this country be satisfied and happy. Some suggested a merger with the Canadian Pacific. I do not know that this would be the best way out, but that company, I believe, whose able management was of such great advantage to this Dominion, could perhaps, to a certain extent, administer this country's railways, provided, however, that the interests of the Canadian people were safeguarded. Sir, there is another question on which I would like to say a few words; this question has been discussed in this House last year and is to come up again this year. It is about a grant to the Quebec Bridge company for the carrying out of improvements which are contemplated on a large scale. Last year a certain amount was voted for preliminary work to be undertaken. The reason given for not voting a larger amount, was because the final plans and estimates were not ready. This year, I believe, everything is ready. As a member

of this House representing a riding, which forms part of the Quebec district, I am in duty bound to ask the government this year to do all in their power to develop the Quebec harbour. The rights of Quebec district should be on a par with those of any other section of the province of Quebec and of any of the other provinces in this Dominion. With the Quebec harbour properly equipped, properly fitted and extended so as to accommodate the large ocean going steamers, it should bring to this country instead of expenses and deficits, a substantial amount of revenue, while such improvements and equipment could not in any way detract from the trade that goes to the port of Montreal. There is, I believe, on the St. Lawrence river, in the province of Quebec, room for two great national harbours, that of Quebec and that of Montreal.

Another point that has been dealt with this year perhaps oftener this year than in the past; it was discussed at length by the hon. member for Muskoka (Mr. Hammell) and later, by the hon. member for Kings (Mr. Robinson); both these gentlemen suggested that the government should allow a greater amount for the development of the tourist trade in Canada. Coming from a district which a great number of tourists visit each year and to which a great many persons come each year from other parts of Canada, from the States and from every country in the world, I feel that I should join those hon. members and ask the government to advertise more freely so as to reveal the natural beauties of Charlevoix, Montmorency and Saguenay counties and more particularly the district of Murray Bay where the distinguished Speaker of the House of Commons, the Hon. Rodolphe Lemieux, spends the summer each year. Some years ago I urged upon the National Railways to carry on a more active campaign to boom this district. I hope that this year, with reduced deficits, the government will be free to vote a handsome amount for publicity work in favour of that district. Last year and in the preceding years, the question of amending the income tax act was referred to. That act, I believe, as it stands to-day, is responsible for a great deal of trouble and handicap for those who honestly and regularly pay their debt to the country. As it stands, this act offers a way out to those who are anxious to avoid paying the tax. It might well be modified; the government could do away with a few troublesome clauses of the act and, by so doing, increase the amount collected heretofore. Mr. Speaker, to revert to what I said at the outset the Tories complain of the fact that the expenses of the country were not reduced, that they were increased and that we do nothing to better the conditions that exist in this country in this respect. I have before me the budget for the year ending on the 31st of March, 1926, and I notice a decrease of $6,933,279.38 in the estimates for the year; last year brought also a reduction in the amount expended and so did the preceding year.

The hon. member for Leeds (Mr. Stewart) speaking on this question last night, told us that the government always brought down large estimates, and supplementary estimates just as large. He was not telling the whole truth because the government have reduced expenditure as much as they could; they have kept down construction and public works, and if any had to suffer, it is certainly the members of some rural districts which, in many cases, were obliged to wait until the following or another year, to obtain what they had requested. Fortunately their electors, who are intelligent and full of common sense, understood that the government, under the circumstances, could not do more. Therefore, the Tory party is very ill advised to preach a greater economy.

I was listening with pleasure, yesterday, to the hon. member for North Waterloo (Mr. Euler) telling us that he had a great admiration for our public employees, but that the civil service is too overcrowded at present. If the civil service is overcrowded, it is due to the fact that, under the Conservative government, from 1911 to 1921, the departments were packed as much as possible; and moreover, the government, in 1918, 1919 and 1920, seeing election time approaching, had a spurt of energy and brought from the United States certain representatives of the Griffinhagen & Young Co., whose services were retained at enormous fees. These persons were paid the sum of $510,747.83 to carry out the classification of the civil service. Result: when this government came to power, there were as many employees as before the arrival of these Americans, and the government was forced in the first and second year of its administration, to dismiss at least 4,000. In the amount which I just mentioned above, spent for the classification of the civil service under the Tory regime, there is an amount of $162,475.26 which was spent for the reorganization of the staff of the National Printing Bureau, with the result that three or four hundred French Canadians were dismissed. That was about the only result obtained. The Tories wished to practise economy but only the kind we call penny wise and pound foolish. In fact, to-day, almost all the work, instead of being done

at the Government Printing Bureau, is awarded outside by contract, and all the departments receive allocations to have the required printing done outside.

There is another subject, Sir, upon which I wish to draw your attention—although the thing may not be of any consequence—it is the campaign which the Conservative party have been waging for some time in the province of Quebec. If we criticize the Tories, if we put to the fore all we have to reproach them, and if we praise the government, we are taunted with being prejudiced and acting in a spirit of partisanship. The other day, while travelling to Montreal, I read with pleasure, in a newspaper, which I can call an independent paper Le Droit of Ottawa, an article which if you will allow me to read to the House, is as follows:

A Conservative campaign. Strange attitude—The Conservative policy during the war—The heritage bequeathed to the Liberals—Mr. Meighen, imperialist. Mr. Rodolphe Monty must have been inspired when he stated the other day: "We must not examine political questions from the viewpoint of parties, but from the national viewpoint." Himself and the other Conservative speakers unfortunately did not put this excellent advice into practice, when, last Sunday, they placed at the door of this present government all the wrongs, all the political blunders made by the governments which have succeeded to one another for the last twenty-five years.

They behaved themselves like real partisans, warmed up by the approach of general elections, and wishing to sow among the people suspicion, prejudice, and blame capable of harming the political opponent.

The present government is not perfect. Nobody thinks it is, not even those composing it. That it is open to criticism, there is nothing astonishing: otherwise it would not be human.

But what takes the wind out of our sails, is that it is the Conservatives who reproach the government for the unstability of the tariff, the treking of the Canadians towards the United States, the upholding of the British preference, the increase in taxation, the raising of our debt, the banishment of the French language, et cetera.

Let us distinguish between a public man who carries on constructive criticism, and the one who, through envy or hatred, is always bent in destroying and refuses to give his opponent any merit.

It is always the privilege of one who has erred to acknowledge his mistake and try to make amends for it. But what are we to think of a person, having erred, trying to throw the blame on his neighbour's shoulders? That is of what the Conservative speakers were guilty last Sunday.

Conservatives must have a tremendous amount of cheek or their memory must be very poor to broach the subject of the national debt, the deficits of our railways, the extravagance in the administration of public funds. One should not make painful allusions.

The present government has to face problems of an economic, social and international order, almost without solution. If we take into consideration the political contingencies and the rooted practice of carrying on the government by opportunism and half measures, it is doing the best it can.

However, we must not forget that if we have a national debt which staggers us, it is due to the late government. They are the ones who forced Canada into an excessive participation in the war, who nationalized the Canadian Northern system, who thus contracted obligations of which we shall never see the end. By coming into power, in 1921, the Liberals did not come into a very enviable heritage. The governments, for years to come, if they wish to balance their budgets, must seek a thousand expedients and expose themselves to criticism.

Instead of endeavouring to amend their blunders, the Conservatives aggravate them by rendering more difficult the task of the present government. They should, however, be the first to help them for the welfare of the country.

However, they will have much to do to blot out from the minds of the people, the remembrance of their participation in the war of 1914, with its consequences: Such as conscription, the national ill-feeling, the increase of our debt, the high cost of living, et cetera. Mr. Meighen's attitude, since the end of hostilities, and still recently, is not of a nature to lead us to believe that the Conservatives, in the event of another war, would be more thoughtful of the Canadian interests.

Mr. FAFARD (Translation): On what date was this article published?

Mr. CASGRAIN (Translation): April 24, 1925. Mr. Speaker, certain passages of this article which I have just read fit the Conservatives like a glove. The hat fits splendidly the leader and other members of the opposition party who sit directly on your left, Sir.

It is very strange, Sir, that in the speeches delivered in this House, by certain leaders of the Tory party, nothing has been suggested to remedy this state of things that these gentlemen so much deplore. The amendment itself which was moved by the ex-Minister of Finance (Sir Henry Drayton) is not of a nature to bring relief to the ills which are said to exist to-day.

When we consider the financial situation in which the country found itself when the present government came to power, it is astonishing to note what the government have been able to accomplish. I state that the members of the government are giants for having been able to so well adminster public affairs in so difficult circumstances. Although there are always people ready to criticize and never satisfied, so long as they have not obtained the last cent, the pound of flesh contracted for, I have too much confidence in the people of the province of Quebec and those of the other provinces of Canada, as to not be convinced that, when the day of reckoning comes, the people will, once more, remember the administration of the leader of the opposition, that they will separate the tares from the wheat, and on the voting day, they will mark their ballots as they did in 1921, in favour of the present government.

Hon. S. F. TOLMIE (Victoria City): Mr. Speaker, during the discussion on the bud-

get the hon. Minister of Public Works (Mr. King) made the statement that the manufacturers of logging equipment on the Pacific coast had not suffered to any considerable extent as a result of the cuts in the tariff made last year. On that occasion he referred particularly to a firm known as the Vancouver Machinery Depot, Limited. I find on inquiry that this is not a manufacturing firm but is rather a firm that is dealing in American machinery and in machinery from the Old Country; it is also agent for one eastern Canadian firm. It has nine agencies, I understand, of which six are American firms, so that quite naturally under those conditions it is in favour of cuts in the tariff.

With regard to the effect of the tariff reductions in these particular commodities, let me say that early in 1924 tenders were called by the Victoria Lumber Company of Chemainus, on Vancouver island, one of the largest logging organizations in the whole Dominion. Bids were entered by Canadian firms, but when it was learned that the tariff reductions had been made on 5 p.m. April 11, 1924, the order was immediately placed with the Diamond Iron Works Company of Minneapolis, and the contract amounted to somethink like $200,000. I have here copy of a wire from the Metal Trades Employers section of the Canadian Manufacturers' Association, dated at Vancouver, April 17, 1925, addressed to Hon. J. H. King, Minister of Public Works. It states:

> Companies here actually engaged manufacture of logging and saw mill equipment strongly deprecate statements ascribed to you in local press recently as to the effect on industry of tariff reduction, more particularly as your remarks were based on information supplied to you by principal of firm here who are not and do not claim to be manufacturers and who do not even hold sales tax license but who are jobbers principally of Americal equipment, and whose interests naturally dictate the maintenance of the lowest possible tariff basis to facilitate their sale of imported equipment, irrespective of indisputable serious effect of low tariff in curtailing and discouraging efforts bona fide local manufacturers logging and saw mill equipment.

I have also a letter here from the Britannia Wire Rope Company, Limited of Vancouver, manufacturers of wire ropes, wire products and modern logging equipment, dated at Vancouver, April 14, 1925. It says:

> HUGH DALTON, Esq.,
> Secretary, Canadian Manufacturers Association,
> Pender Street, Vancouver, B.C.
>
> Dear Sir,—
>
> As an indication of just how this juggling with the customs tariff by the Mackenize King administration at Ottawa is affecting young industries such as ours struggling to establish itself, the following figures may be of interest.
>
> In our machine and blacksmith shop, whose work is devoted entirely to the logging industry, 31 men were employed in March 1924, at a monthly payroll of $3,046.73. In March 1925 it was the utmost we could do to find employment for 20 men, with a payroll totalling $1,700.32.
>
> Comment is needless. These figures speak for themselves. If, however, there is any further information you desire, or any manner in which we may be of service to you in bringing home just how much the reduction in tariff is affecting the workers of the community, we shall be only too glad to have you call upon us.
>
> Yours very truly,
> Britannia Wire Rope Co. Ltd.
> T. S. CAMPBELL,
> General Manager.

No further comment is necessary, I think, under the circumstances.

Mr. KING (Kootenay): If I might interrupt for just a moment, my hon. friend is placing on Hansard certain observations made by manufacturers in western Canada to refute a statement I made in the House some weeks ago, when I met the statement made by the hon. member for Vancouver Centre (Mr. Stevens) in which he claimed, not that they had been injured, but that the factories had been closed and wiped out. That is not so. There are only two logging concerns in the city of Vancouver who make logging cars, and they are continuing business to-day, and have not been wiped out.

Mr. CLARK: Are they manufacturing logging cars to-day?

Mr. KING (Kootenay): Yes, they are.

Mr. TOLMIE: I just brought this to the attention of the House so that we might know the truth. That is all we want. We do not want any unfair advantage at all in connection with matters of this kind.

Now with regard to the budget, I am quite sure, Mr. Speaker, that after listening to the discussion of the budget for several weeks as we have done, we feel that after all people living in one part of Canada know very little about the particular conditions under which people live in other parts of Canada distant from where they are located. It has brought to our attention from day to day the absolute necessity for us to know more about the general conditions of the country, so that when we come to discuss matters in this House we can look at them and take them up in more of a national way rather than in a provincial way. I do not know of anything that would be of greater benefit to us than to possess this knowledge and this viewpoint. Some few years ago I proposed in some remarks I was making here that it would be to the great advantage of this country if, after

an election, the members were afforded an opportunity of moving from one end of the country to the other and meeting various organizations, chambers of commerce, boards of trade, and so forth, so as to familiarize themselves as much as possible with the conditions throughout Canada, and then when gathering in this House they would be in a position to discuss the matters brought up here in a much more intelligent way than they are able to do at present.

If there is one other thing that is of great importance to this country, it is the creation of a national spirit, and the stimulation of a feeling of pride that we are Canadians and proud of our country, as we should be. I think we might certainly take a lesson in that respect from our neighbours to the south in the way they celebrate the fourth of July. If we could fill our Canadians with the same enthusiasm for the first of July that the Americans display on the fourth, so that they would celebrate it in the way in which it should be celebrated, I am sure we would be rendering a great service to this whole country. Somebody interjects "The twelfth of July." Well, that would be extra.

I think I am on perfectly safe ground when I call attention to the fact that we are in need of all the business increases that we can secure in this country. We should develop every possible line which will promise to bring us revenue, at the same time reducing our expenses to the greatest possible extent and practising economy within the country. I propose to-day to call attention to just a few points in connection, with which I think this might be profitably done.

On the 22nd of September, 1922, our American friends introduced what is known as the Fordney tariff. Up to that time the tariff on agricultural products coming into Canada from the United States, and the tariff on the other side of the line on Canadian products going into the United States were practically equal, with a very few exceptions. But when the Fordney tariff was introduced, we find that their tariff on the other side was raised very much, and there has been no compensating raising of the tariff on this side of the line, and this government has permitted those conditions to go on from year to year, bringing down budget after budget, without ever meeting the situation. I think if we want prosperity in this country, one of the first things that we might do would be to bring our tariff on agricultural products up to that of the United States. After all, the diversified farmer in this country is naturally a protectionist, with very few exceptions indeed. If he is not when he begins, he soon will be when he has met a little of the unfair competition I propose to call attention to to-day.

I was pleased with one phase of the budget, and that was the proposition to create a tariff board. No tariff should be administered in such a way as to enable any person, either a manufacturer or a farmer, to take unfair advantage of the protection afforded to him, and if this tariff board is carefully selected, if the personnel is such that it will be able to function intelligently and without any political influence, then a real service will be given to the consumers of Canada, to the farmers, and also the manufacturers. After all, all that the farmer asks in connection with the administration of the tariff is absolute fair play, fair play and equalization of the tariff so that it is just as much a protection to him as it is to other parts of the country.

Taking the commodity of eggs, one that is common to all farms where diversified farming is carried on, I would like to call attention, Mr. Speaker, to the unfair competition that the Canadian farmer suffers from in this direction. In the first place, there is a tariff of 8 cents a dozen on eggs produced in Canada going into the United States, while we charge only 3 cents a dozen on eggs coming the other way. I have been engaged in the poultry business as a side line on my farm out west, and I know a little bit about the cost of production of eggs under varying seasonal conditions. Now the unfair competition that the Canadian producer has to meet is simply this: During the months of January, February, and March, we import into this country immense quantities of eggs from the United States. At that very time our Canadian producers are under mid-winter conditions, requiring a better and more expensive poultry house in which to keep their poultry and protect them from the cold, richer and more expensive feeds to keep up the bodily heat, and in addition to that, anyone who has any experience in the poultry business will know that under these mid-winter conditions you do not receive nearly the production from the hens that you do under early spring conditions. Now while our Canadian farmer is labouring along in the face of those obstacles and those high expenses, the American producer of eggs in the southern states, and particularly in California, is enjoying during these same months excellent spring conditions when the output is very much increased. As you all know, the greater the output per hen the less the cost per dozen eggs, so the American producer has a decided advantage

over his northern competitor. Advantage is taken of these conditions by our Canadian buyers who buy eggs to put in cold storage for the winter supply. Knowing they can secure these American eggs during these early months of the year, they are not particular to put into storage as large a quantity as they might otherwise do if they were faced with an 8-cent tariff, and the result is that when hens on this side are producing eggs in quantity and the eggs have reached a low price, these buyers come forward, secure these eggs and place them in storage, being careful and anxious only to have enough to carry them to that period when the American eggs will be coming in. In that way the local producer of eggs is handicapped. If he were protected with an 8-cent tariff, the local buyers would be careful to put in a much larger quantity, and this would have the effect of stiffening the price on the Canadian side.

Now, to show you the importance of this industry, let me say that in 1924 the value of Canadian egg products was $56,822,439, and of poultry products, including poultry meat, in the same year $106,266,756; or in dozens the Canadian hen produces 238,648,685, while in the United States the production reached the huge quantity of 2,196,194,000 dozen. The Canadian consumption of eggs averages about 26 dozen per year per capita while in the United States the per capita consumption is only about 19.36 dozen. It will be seen from these figures how easy it is, under certain trade conditions, for the United States producer to flood this market. Now let us see what we import from the United States, and also what we export to that country. In 1923-24 we imported from the United States eggs to the value of $1,961,477, and in the same year we exported to that country only $49,458 worth. In 1922-23 we imported from the United States $2,494,650 worth, and we exported during the same year $98,181 worth, showing a very distinct and large balance in favour of the United States. The question that I should like to ask, Mr. Speaker, under these conditions is: Would it not be good sound sane business to increase our tariff to 8 cents a dozen, and to save and conserve for the Canadian producer the great amount of business I have just mentioned?

But the government, not satisfied with the competition met by our poultry producers from the United States, have also allowed them to be brought into competition at a very low tariff with our oriental friends on the other side of the Pacific. During the early months of the year we imported from oriental points 3,500 cases of eggs. Of this number 2,500 cases graded as seconds, which is really the fourth grade of eggs in this country. One thousand of these cases could find no grade whatever; they were of such bad quality they were of no use to Canada and they were sent to New York. In this particular connection I beg to offer a resolution from the Surrey Farmers' Institute, a farmers' institute located on the Fraser river at Cloverdale, British Columbia, which resolution is signed by H. Bose, secretary. With the permission of the House I should like to place this resolution on Hansard.

Whereas there has developed, due to natural conditions, a large poultry industry in the lower part of British Columbia, to such an extent that a very important trade is being established with the prairie and eastern provinces of the Dominion.

And whereas this industry owned and controlled by small farmers is placed at a great disadvantage and being seriously handicapped by reason of the flooded importation of eggs into Canada from both the United States and China which uncontrolled by regulations completely demoralizes the markets.

And whereas the freight rate on grain for export is .22½ cents, as against the domestic rate of .41½ cents, a difference of $3.80 a ton.

And whereas the duty on eggs imported into Canada is only three cents per dozen as against that of a duty of eight cents per dozen on eggs exported into the United States.

Now therefore we your petitioners humbly solicit the earnest consideration on the part of yourself and your department to the equalization of the duty, the marking of all foreign eggs with the name of the country of origin, and a uniform freight rate, believing that in so doing a more stable market will be maintained and the public best served.

Our Canadian producers also suffer in another direction, largely owing to climatic conditions. We import early vegetables into this country by the millions. This is a very important industry. Many of those engaged in it require considerable skill, and much hard work is necessary in connection with the business. The men who operate in this particular line are perhaps the most intelligent of those working on the land, and they need adequate protection. Owing to the fact that vegetables produced to the south come on the market so much earlier than Canadian early vegetables the demand for early vegetables has already been pretty well satisfied with the result that the Canadian producers do not reap the high prices they otherwise would secure. In addition to that they are met with the competition from mid-season districts after the first flush of the season is over, when the grower in the United States has obtained already his high prices and is bent on getting rid of his surplus stock. Towards the end of the season these cheaper products are brought into Canada and enter

into competition with the commodities of our Canadian producers. That, however, is not nearly as bad a situation as exists in connection with the hot-house grower on this side of the line. The hot-house grower has to install first an expensive plant. He has to buy and install a large amount of glass and steel for his hot-houses, and then introduce heating appliances which necessarily in this colder climate must be of much greater extent and in much greater proportion than in the case of hot-houses in the milder climate south of the line. Now, our hot-house producer of early vegetables—take tomatoes and lettuce for instance—first meets with the competition of outdoor vegetables from Mexico, then with the competition of outdoor vegetables from the southern states and also California, placing him at a distinct disadvantage in attempting to compete with these products. I claim, Mr. Speaker, that we should meet this competition with a proper tariff such as will place our producers of these commodities on a good, safe, sound basis. In that connection, with the permission of the House, I should like to place on Hansard, a resolution passed by the Canadian Horticultural Council at its annual meeting in Ottawa, March 3, 4 and 5, 1925, with respect to the customs tariff on fruits and vegetables:

The following resolution, passed unanimously at the annual meeting of the Canadian Horticultural Council, representing the fruit and vegetable organizations and allied industries in Canada, is respectfully submitted for your consideration:

Whereas fruit and vegetable growers located in districts in Canada which are specially adapted to the production of tender fruits and early vegetables, and who have large financial investments in lands, buildings and equipment, having been and are now at a decided disadvantage with growers of like kinds of products imported into Canada and produced in foreign countries where milder climatic conditions obtain, resulting in crops maturing at a very early date, and

Whereas the Dominion government statistics show very heavy importation of tender fruits of a kind produced in Canada during the season when Canadian producers, by reason of their more northerly location and colder climate cannot produce these products, and

Whereas the public demand for these products for use as table desserts and luxuries has been to a great extent satisfied before the Canadian crops can be matured, thereby depriving Canadian producers of the more remunerative prices and compelling them to accept substantially lower prices for the same kind of products maturing at a later season, and

Whereas large quantities of foreign fruits of a kind which are not produced in Canada and which compete directly with Canadian grown fruits are imported into Canada duty free, and

Whereas the specific duty now applicable to fruits of a kind produced in Canada, imported from foreign countries, and which was adopted in 1906, when values were substantially lower than at present time, is lower than the average duty applied on manufactured articles of the kinds produced in Canada, and

[Mr. Tolmie.]

Whereas should this condition continue many fruit and vegetable growers will be forced to abandon their business.

Therefore be it resolved that the Canadian Horticultural Council do petition the honourable the Minister of Finance of the federal government to place an import tax, in addition to the tariff now provided, of not less than 20 per cent ad valorem on all fruits of a kind produced in Canada each year up to expiry dates, which shall be determined according to groups and that the tariff pertaining to vegetables be amended so that duty shall be applied on the invoiced pound weight, weight of package included. We request the following schedule:—

Onions, ½ cent per pound invoice weight.
Potatoes, 1 cent per pound invoice weight.
Cabbages, 1½ cent per pound invoice weight.
Celery, 2 cents per pound invoice weight.
Asparagus, 3 cents per pound invoice weight.
Bunch Carrots, 3 cents per pound invoice weight.
Beets (Bunch), 3 cents per pound invoice weight.
Fresh Peas, 3 cents per pound invoice weight.
Lettuce, 3 cents per pounds invoice weight.
Cucumbers, 5 cents per pounds invoice weight.
Spinach, 5 cents per pound invoice weight.
Radish, 5 cents per pound invoice weight.
Tomatoes, 5 cents per pound invoice weight.
Peppers, 5 cents per pound invoice weight.

Another striking illustration of this unfair competition was presented to this House the other day by the hon. member for West Elgin (Mr. McKillop), in the very excellent speech he made. In that case he referred to the commodity of beans. We import $754,086 worth of this commodity from eleven different countries. The amount of $618,818 is imported from countries where farm labour is very much cheaper than it is in Canada; and beans to the value of $288,338 worth are imported from the Orient. Here we are again in competition with John Chinaman in the production of beans. I think it is decidedly unfair that in a commodity such as beans, where a considerable amount of labour is necessary, the producers of this country should be compelled to compete with oriental labour. Our governments have long recognized that the workmen of this country cannnot be expected to compete with the oriental because of his cheap methods of living—his ability to live on very little indeed and to work for very low wages—and we cannot hope to maintain our high standards of living if these people are permitted to compete with us. If it is necessary to protect the worker and also the manufacturer against this cheap competition, and I quite agree with that, why should not the farmer be protected also? We charge a tariff of only 25 cents per bushel on beans entering this country. Now let us look at the United States and see how they have carefully protected themselves against any of this cheap labour competition. Their duty on beans amounts to no less than $1.05 which is practically prohibitory.

There is another industry in this country which is only yet in its infancy but which offers to us immense prospects for development—I refer to the production of seed. We have all heard the slogan "Northern grown seed". It is generally recognized now all over the world that seed grown in northern countries possesses far more vitality and will produce much greater crops than seed grown in warmer climates. Why not capitalize this for Canada? Why not specialize along this particular line? Why not expend money to develop particularly this line of industry and then, after we are able to produce on a rather extensive scale, by advertising place this seed in the markets of the world to the great profit of this country. Canada is peculiarly suited to the production of seeds. Our timothy seed produced in Alberta is second to none in the world. We are producing unexcelled clover in northern Alberta. We are producing vegetable seeds, field root seeds, and flower seeds out on the Pacific coast that are second to none, and seeds produced on Vancouver island are finding in Great Britain a very ready market. In connection with the production of bulbs we have already made a reputation for ourselves, and our product is equal in every way to the famous Dutch bulbs from Holland. Certified seed potatoes, are selling at Victoria to-day at $70 a ton while the ordinary seed potatoes sell at $50 a ton. Here is an excellent opportunity to develop along this line; and in connection with the seed cereals we have already proven, at Chicago and other big shows, that we are capable of bringing forth a product that has no equal in the world. Our imports in this commodity run into some three or four million dollars. I am quite sure that we can grow all this material at home very readily indeed, and I think we can build up a very important export market. Great Britain alone imported from the state of California last year no less than five million dollars worth of seed. By fostering this industry and building up the export trade we would be rendering a great service to the country, and greatly increase the value of our products, but we know it is of even greater importance that we should be using, and the farmers of this country I think should be induced to use, the best and purest varieties of seed. It is claimed by an expert with whom I was in conversation the other day that if the farmers of the country would use nothing but the best seed in connection with their cereal crops it would increase the farm products to no less an extent than from fifty to a hundred million dollars, and an approved timothy seed, as compared with the present seed, will yield an increase in crop from twenty to thirty per cent.

There is another line of agricultural production that as yet is young, and has become important in connection with the exports only within the last few years. I refer to the tobacco growing industry. The exhibit we staged at Wembley created a very favourable impression on the people who visited that great exposition; they were not only impressed but surprised that Canada could produce tobacco of such excellent quality; but there are two new varieties that are needed in this country and if we are able to secure them they will take hold in the British market. They are the Green River and Dark Fire varieties. The experimental farms have done an excellent service with regard to the dissemination of information among the farmers in regard to the production of tobacco, and in connection with the curing of the tobacco and with the harvesting. Canada imported last year about twenty million pounds of tobacco and exported about eighteen million pounds. We can produce all this balance at home, and all it requires at the present time is just a few cigar wrappers and tobacco for blending. Canada can supply herself with all the rest. It is stated by this expert that in Great Britain there is an excellent field for marketing our export tobacco, and we can secure a market worth fifty million dollars to the tobacco growers of Canada. I am informed that with proper care in packing for export we can increase the value from ten to seventy per cent.

Referring for a few moments to the possibilities of the development of the sheep industry in this country, let me say that our sheep population number 2,753,860. That industry has been in a fairly stagnant condition. It has been moving in spurts. There have been certain years of prosperity when the sheep industry went ahead, but there were years when the sheep industry was lagging and we did not make very much progress. The quality of the sheep has vastly improved, owing to the fact that our experimental farms have rendered excellent service, and our exhibitions are assisting also in improving the grades of the sheep in various parts of the country. But our sheep population in the last three years has shrunk to the extent of three-quarters of a million head. We should be able to carry in this country at least ten times as many sheep as we have at the present time. Compare our 2,000,000 sheep with 27,000,000 in Great Britain, a country not as large as Canada, 40,000,000 in the

United States and 80,000,000 in Australia, and hon. gentlemen will realize the position.

A great factor in stabilizing the sheep industry in this country would be the placing of the wool market on a good sound foundation. I think that would have a greater effect in stabilizing the sheep industry in Canada than anything else. We have at present a varying price for wool.

Mr. BALDWIN: I desire to ask the hon. gentleman simply for information; is it not my hon. friend's opinion that the greatest curse, and hindrance to sheep raising in this country, is the dog nuisance, which brings no revenue to anybody?

Mr. TOLMIE: Yes, we have dogs troubling us to a great extent out west, but out in my district we have learned to shoot with a forty-five calibre rifle, and we always keep a horse and rifle ready for use at any time, so that if a dog enters your premises he becomes the object of your attention. I may say that out in British Columbia the dog nuisance got so bad that a provincial law was passed allowing a farmer to shoot a dog which happened to be on his premises where sheep were kept, if the dog did not have an attendant with him. Many dogs disappeared after this law was passed, and nobody knew where they went. Out in British Columbia we have no objection to a man owning dogs and chasing sheep with them, providing he owns the sheep himself.

We also have trouble with the coyote and in the coyote section out on the prairies and British Columbia we have to care for our sheep under herded conditions. In the open country a man will herd two or three thousand sheep a day, but in British Columbia a man will only handle about a thousand sheep.

I have heard that people will not go into the sheep business on account of the coyote; but by making proper provision, putting up fences and taking other precautions you can protect your sheep against depredations of the coyote. The hon. gentleman has placed his finger on one of the chief dangers that we have to encounter out west. However, I have always thought that there was enough money in the sheep business to stand that loss.

We imported last year about 5,205,926 pounds of wool. We can practically produce now nearly all the kinds of wool that are necessary, with perhaps very few exceptions. However, we should make an attempt to produce at home the very kind we import at the present time.

[Mr. Tolmie.]

On the prairies they are now producing the Rambouillet merino wool and they are producing a very much better quality than formerly. On May 27, 1923, when speaking on the budget I called attention to the fact that there was a fifteen per cent tariff on our statute books on combed wool, and that this had never yet been put into effect. I pointed out that year that we were in competition at that time with the bonused combed wool from Australia and from Japan, and nobody can ever hope to compete with the Chinese or Japanese successfully. In this particular instance, again the farmer has been permitted to hustle for himself, as he has in connection with the matter of eggs, and also in connection with early vegetables. I would strongly urge on the government that they put this provision into effect. I should like to put on Hansard a letter I have received from the Dominion Combing Mills, Limited, dealing with this very matter. The letter reads:

Dominion Combing Mills Limited
Top Makers
Commission Merchants and Wool Brokers
Toronto

April 23rd, 1925.

Hon. S. F. TOLMIE,
House of Commons,
Ottawa, Canada.

Dear Sir:—

1. Are you aware of the fact that the action of the Department of Customs in not enforcing the Customs Act is equivalent to discrimination against our firm.

2. Items 555 and 556 of Customs tariff are not being enforced.

3. The Commissioner of Customs and his staff are aware of this and admit the facts.

4. This duty was placed on the statute to encourage someone to establish a key industry.

5. After investigating the matter and being assured there was a duty on wool tops, we established the finest combing mill in the world at Trenton, Ontario, capable of taking care of the entire requirements of all the worsted spinners in Canada.

6. Over 15,000 citizens of Canada are financially interested in the success of this company and all the wool growers in Canada, and numerous other industries, will profit by its success.

7. The failure of the government to enforce and collect the duty as called for, means a loss of over half a million dollars a year in revenue, on wool and wool tops, and a severe hardship to the shareholders in this company.

8. The officials of the department claim that they cannot enforce this duty without instructions from the Finance Minister.

9. As one of the law makers of this country, will you please call the attention of the Finance Minister of the unfairness to us in this matter, and use your best influence to have the law properly administered.

Yours sincerely,

A. E. REA,
President.

The prospects for the production of sheep in the immediate future are very good. We

have assurances that there is a shortage of wool in the world at the present time amounting to about 395,000,000 pounds. Every effort should be made to improve the quality of our wool and also of our sheep and meat products. The best way to do this is by the distribution of pure bred sires, but we are met with the obstacle of the tremendous increase in our freight rates and you can understand a man not wishing to buy one sheep for the purpose of improving his stock when it will cost him a considerable sum to have that animal shipped to him. He could afford to do that years ago, but now the freight charges render it almost impossible for him to obtain these sires.

I should like to urge as strongly as I can the advisability of co-operating with the provincial government and the Live Stock Associations clubbing together and buying in carload lots pure bred animals, so that they might be shipped to the nearest point for distribution, and sent to their destination either in automobiles or by express. I might suggest also that the distribution of new breeding stock might be carried on in the same way, and I am quite sure that in building up this industry we are working on perfectly sound ground. I have no doubt that it will add greatly to the value of agriculture in Canada if we can get our people thoroughly interested in sheep.

With regard to the swine industry, the market at the present time can be said to be good, indeed, it is much better than it was a little while ago. And it is interesting to note that hog raising is coming into greater favour than it was a few years ago. When this industry was first introduced it met with a good deal of opposition simply because our farmers did not understand the situation and did not appreciate the absolute necessity for placing on the British market such animals as would secure for the producers of Canada the highest possible price. There is no use trying to fool the Englishman about what he will eat; he knows more about that than anybody else in the world. I listened with interest to the discussion that took place with regard to the estimates for live stock when they were under consideration, and it was pointed out that it would be a great favour to some of the producers of hogs in this country if we did not tie them down so closely to weights in the production of the Wiltshire sides which the British market requires. It was proposed that there should be a little latitude, that the farmers might be allowed an extra ten or fifteen pounds of weight in the hogs they raised. That would be all right for the producer but it would not produce the kind of hog which the Britisher wants; and the price would be immediately cut down.

I think we should hurry up the hog industry; if one thing should be speeded in the whole live stock business it is this particular industry, if we are to secure a sound footing on the British market. If we want to get such a market we must increase the volume of our output. To-day the British market desires not only a steady but a uniform supply and of sufficient volume to keep it interested. Why is there need of haste at the present time? It is necessary for this reason. We find that Russia, a great grain producing country, has regained her feet and she will be in the market shortly looking for a place for her surplus products. Then we must remember that Poland has a hog population of eight to ten million; in that country there will be a production of some five million hogs every year which will be thrown upon the market. In comparison with this, we have altogether in Canada only about 4,800,000 hogs. And Sweden is also aiming at a place in the British market. So that if we can increase the volume of our hog output and send the right sort of animal, and if by this means we can once get located firmly on the British market, there will be little chance of these other countries dislodging us. But we can only do this by means of education among our farmers and demonstrations that will show exactly what kind of hog is necessary.

I am glad the Minister of Agriculture (Mr. Motherwell) is here, because when we were discussing the live stock estimates he was good enough to promise that some day he would have a demonstration carried out either at the experimental farm or at one of the packing houses to indicate exactly what a bacon hog was. That demonstration would show just what kind of animals should be produced and what the British market requires. This is an excellent opportunity for the minister to put that promise into effect. There are a number of men here who are making their living on farms, besides others who are interested generally in farming, and if such a demonstration were carried out there would be missionaries who would carry the information to the four corners of the country. I sincerely hope therefore that the minister will take advantage of the opportunity he has and will see that this is done some time before the close of the session.

There is no reason at all why we should not be in a position to beat our competitors in the British market, even such a competitor as Denmark. By strict attention to business

and a careful study of the types required in Great Britain Denmark farmers have been able to establish a market in the United Kingdom second to none. On the average they receive probably the highest prices the year round for their bacon. But we should be able to beat Denmark in this direction for the reason that to-day they are importing over sixty per cent of the grain necessary for the production of these hogs as well as for the production of butter, whereas in Canada we grow our own grain and ship our product in the more concentrated form of bacon and also in the shape of butter. If what I have said is of importance, I would suggest that if we are to speed up production we should take this opportunity of promoting, in the manner I have described in discussing the shipping question, the distribution of breeding stock so as to stimulate and increase the volume of our output at the earliest date.

I come now to the cattle situation. I am glad to note that there has been a steady increase in our exports to Great Britain particularly after thirty years of fighting, on the part of both Liberal and Conservative governments, for the removal of the cattle embargo. In 1922 our exports of cattle to Great Britain numbered 18,475 head; in 1923 it had increased to 56,672; and in 1924 we shipped overseas 79,435 head. In addition to this there has been a slight improvement in prices. A very interesting fact that has developed in connection with the beef industry of the world, and something that was quite unexpected a short time ago, I might here refer to. In 1921 prices dropped over fifty per cent and cattle were produced at a loss in Australia, New Zealand and South America owing to the low market in Great Britain. What caused the change? The surplus in 1924 has entirely disappeared and the outlook at the present time for the cattle producer is better than it has been for some time. It was so bad in the Argentine in 1922 that they destroyed on birth hundreds of thousands of calves; and besides this, the pastoral lands given over to the grazing of cattle have been ploughed up in many instances and now cereals are being produced. The continent of Europe, up until the war, consumed mostly pork; they imported more pork than anything else. Since the war, however, they have learned to eat beef, and fortunately they have learned to use frozen beef. This is all the more fortunate for those producers south of the equator. That the people of Europe are satisfied to take frozen beef is due to the fact that they boil or stew their meat, adding flavourings of various kinds that disguise the taste, so that they do not notice the difference between frozen and fresh beef, as the Englishman discovered years ago. This trade in Europe has increased to an enormous extent; whereas in 1922 the people there consumed 113,240 tons of frozen beef, they bought 223,000 tons in 1923, and the consumption increased in 1924 to 459,000 tons. This meat has been used by France, Belgium, Spain, Italy, Holland, Czecho-Slovakia, Austria and Germany, and the trade appears to be on a fairly permament footing. This meat, finding another outlet, is not forced on the British market, and the result is that the Britisher will have to pay a slightly increased price for his meats, and Canada will benefit in consequence. The consumption of frozen beef on the continent has had an interesting effect on the United States, who are finding that so far as their pork shipments to that part of the world are concerned there has been a reduction of some fifty per cent. Now, our farmers can help themselves to a great extent in the beef industry. In fact I think they should always take the position—if I may be allowed to offer suggestions, having been in the business all my life—they should take the position of helping themselves, of doing their best, under all conditions. While they can look for a certain amount of assistance from the government and from the live stock associations, after all what they do themselves is what actually counts. During certain periods of the year, particularly the months of October, November and December, if you take a trip out through that western prairie country, you will find trainloads of skinny cattle being shipped to market; they are only half fat and many of them are of very poor quality indeed. Improving the breed of our cattle has made very fair progress in past years until to-day it has reached the point—and I think the minister will agree with me—where it is more important to see that the animals are properly fed before they reach the market. The farmer can assist himself to a very great extent by properly fattening his cattle. There is another way whereby he can improve his position, and that is by avoiding crowding all his cattle on the market during the months I have mentioned; he should scatter them over the winter period and on into the spring. If he will do that he will be able to get better prices, wherever that is possible. I know that in certain sections intelligent farmers are buying these half-fat cattle, feeding them and selling them at a very fair profit.

Concerning immigration, which is linked up very closely not only with agriculture but also with our national prosperity, I quite agree with those members who have said it is nonsense

to bring settlers into this country on any large scale to compete with those who are already here unless we can assure them a good living. Immigrants, however, are not nearly so easy to secure as they were a few years ago. With our national debt of two and a half billion dollars, with only four people to the square mile, and with 22,000 miles of government owned railway on which there is an annual deficit of from $60,000,000 upwards, you will see how necessary it is that we should fill up our vacant spaces if we are to put our railways on a sound basis and be able to meet our obligations. There are two or three ways in which our railways might be placed on a paying basis. Perhaps one way, the least to be desired, would be for the Canadian National to compete with its great competitor, the Canadian Pacific, in such a way as to obtain from it a sufficient amount of business to attain a paying position. This would be very unfortunate indeed, because I think the Canadian Pacific Railway to-day deserves great credit for what it has accomplished. It is one of the greatest organizations of its kind in the whole world. If one of our great transcontinental systems were to profit at the expense of the other it would be very unfortunate for the whole country. The next way would be to settle our land, fill up the intervening spaces so as to get revenue for the railways from the land adjacent to their lines. This will be necessary even if a certain degree of amalgamation or working arrangement is brought about between the two lines. I am heartily in favour of some sort of agreement that will operate these railways at a lower cost and so reduce the deficit. I think it is a far better plan for us to sit down and try to work out a proposition of this kind than to continue year after year to pay railway deficits.

In connection with immigration, the prairies have received most attention in the past. To-day we hear complaints from various parts of the country, extending from the Atlantic to the Pacific as to why immigrants do not come here now as they did before the war. In the first place, intending immigrants are met with heavy fare, very much greater than it used to be. At the present time to bring over a man and his wife and four children from some point in Europe to the prairie sections of this country costs at least $450. In addition to that, the immigrant would require at least $1,000 to make any kind of a start on a farm. If he has this money, whether he lives in the Old Country or on the continent of Europe, but particularly in the latter, he is in a position, under present conditions there, to be "somebody" and perhaps can do just as well at home as by emigrating. Canada can absorb an immense number of agricultural labourers and farmers, but we have reached the point where these men have not got the money to come, even if they desired to. It has been suggested by some that we should adopt the open door policy, that is, allow immigrants to come in unchecked. This in my opinion would be a very unfortunate policy. In the first place, we would fill up the country with a class of people whom we do not desire at all, and we would be seriously increasing our unemployment and adding to our bread line in the winter time, for many of such immigrants would soon become a public charge. Moreover, I think it is only fair to assume that we would simply become the back door to the United States for those immigrants who had enough ginger to move across the line if they were not satisfied to remain here. Now, we would like to secure Scandinavians. I have seen them do remarkably well in the western United States, particularly in the state of Washington, and also in western Canada, where I have an opportunity to observe them. They are hard workers, careful, and usually very thrifty. But Sweden, Norway and Denmark discourage emigration altogether, and do not permit the spreading of propaganda within their borders. The United States has been the source of our immigrants for a number of years, but conditions have changed there considerably, and during the last four years the western states particularly have been pretty well combed by our immigration agents without very great success. After the great boom during the war, when farming paid high prices and when the value of land went up to $150 and $200 an acre, there was the usual crash such as usually follows an experience of that kind, and over one hundred thousand farmers in the western states, particularly in those sections where the single-crop system of farming is carried on, drifted away to the cities. In addition there were a great number of bank failures. Now, many farmers in those sections who would like to come to this country are so heavily mortgaged that they cannot sell out and secure enough capital to move anywhere.

Therefore, under present conditions the British Isles offer the best field for the development of immigration. But even there we find that in many cases they are hard put to it after the war, and for lack of means cannot move out to this country to establish themselves. The British government, recognizing this fact, in 1921 passed legislation

known as the Empire Settlement Act, under which they are appropriating £3,000,000 per year for a period of fifteen years to assist emigrants to the various dominions, allowing £300 to each family for the purpose of assisting in the purchase of farm stock and equipment. The British government are working in co-operation with the various dominions, and up to the present Australia has benefited to a very great extent under this legislation. We have co-operated to a certain extent, and in a very short time should be able to form an opinion as to whether this proposition is going to be a success or not. So far as the self-financed settlers are concerned, I am informed by those posted in immigration that since the war the self-financed families which have come out here to establish themselves on the land and begin farming have not averaged one per day. Up until the time of the war we had a steady stream of immigration, but this has badly broken down, as I have pointed out, and under present conditions the only means of bringing settlers out would be under a proper colonization scheme.

Another point to which one does not like to refer but which should receive some attention is the necessity of giving the new settler in this country every possible encouragement to help him along in making a home for himself. I am informed in many sections that when these settlers arrive here they are met by men on the trains who immediately begin to throw cold water on their prospects, and if the newcomers are at all timid their hearts go down in their boots long before they reach their destination. This is a most unfortunate situation indeed.

I have been pointing out that we have been giving the most attention in the past to the settling of the prairie country. Let me emphasize the necessity of linking up as closely as we can the different parts of this country from the Atlantic to the Pacific by filling up those vacant lands along the line of the Canadian National. Here we have some 2,000 miles of railway line with a very thin settlement indeed along its route. We cannot hope successfully to operate our National railways, whether amalgamation is effected or not, unless the sections of country along the line are settled so that their activities can give business to the railway and make it self-supporting. In New Brunswick we have about 200 miles of National railway line, the area contiguous to which, or a good deal of it, is very suitable for mixed farming. In Quebec there are about 300 miles, and in Ontario some 600 miles, running through similar territory. In northern British Columbia there is a huge inland empire, with fertile soil and suitable climate, where good living conditions could be had, and where the opportunities are good for the production of live stock, for dairying, and so on. In addition to that, we have on Vancouver island a short line of railway included in the National system which serves a territory to which settlers could be taken and where they could do very well.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. TOLMIE: The reports from the agricultural experiment stations situated in the provinces I have mentioned indicate that these lands are of a very fertile nature, and that they are quite capable of sustaining the thousands of farmers who wish to engage in diversified farming, being well adapted for dairying, for live stock raising, for poultry raising, and so forth, as well as being able to produce large amounts of fodder for carrying live stock through the winter season. I might point out that in addition to the fertile soil situated in these districts I have mentioned, there is an ample supply of water, plenty of rainfall so as to assure crops every year, ample timber for building fences, houses and barns, plenty of fish and game in many of these districts, and in addition there is an opportunity for the man who is getting under way, and who possesses only a small capital, to engage in work in the various camps, lumber camps, tie camps, mining camps, fishing camps and so forth, so that part of the year he can put in on his farm and the balance of the time be earning a little ready money if he so desires.

Some one of you may perhaps shake your head at the proposition of a man going on to a bush farm in Canada at this time, but let me just point out that this great country was opened up by the pioneers who went on to the bush farms, and who cleared them up under much more adverse circumstances than are offered to the men who engage in that line of work at this time. In those days their markets were very limited indeed. They were also badly handicapped for transportation. They had no railways, and in many cases no roads, and sometimes the roads they had were of very poor quality, but in spite of all these handicaps, being men of spirit, they went on to these farms, raised large families, and they were the predecessors of

some of the most prominent business men in Canada at this time. In those days they disposed of their dressed pork in some cases at 2½ cents a pound, eggs at 15 cents a dozen, and butter at a very low price, and they had to take most of it out in trade at the country stores, so they were entirely at the mercy of the storekeeper. The man taking up one of these farms to-day will be in a much more favourable position, inasmuch as his markets are very much better, his means of transportation much better, and in no way can his lot be compared with that of the earlier settler to whom I have referred. Of course to engage in this line of work we would not want a class of farmer who would farm in the summer time and be a tourist in California during the winter. To begin with, he would have to be a man who would be willing to work, and in the second place the fact that he was the right kind of man and that he was engaged all the year round would keep him much better satisfied than it would the man who is only engaged for a portion of the year. This settlement is most important to the progress of this country, and it is particularly important in connection with placing our railway problem on a satisfactory basis. It is also important to the preservation of confederation, so as to link up the Atlantic with the prairies on the one hand and the Pacific with the prairies on the other. This is a matter, as I have said, of great importance to this country. The federal government in my opinion should take very keen interest in it and by co-operation with the provincial governments and with the Old Country government—for the latter are anxious, as I pointed out to-day, to send settlers to this country—they should be able to accomplish a great deal of valuable work in this direction. When we have solved the problem of bringing the different sections of the country closer together under mutually satisfactory conditions, then we will have solved many of the other questions which we have under consideration at this time. I think in this connection the federal government might go to the extent of largely engaging in the financing of this colonization scheme, and money spent in that direction I think would be money very well spent.

Now, while I have said something about the importance of immigration to this country, let me touch on one other very important point, and that is the preservation of the young Canadians who are born here. I want to call your attention, Mr. Speaker, to a few rather interesting figures in reference to infant mortality in Canada. And here let me say that after all, the Canadian makes the very best settler on the land that we could possibly get. Now the average rate of infantile mortality in sixteen countries is as follows:

	Per thousand
Canada	86.8
Australia	52.7
Austria	156.8
Belgium	115.3
British Isles	79.4
Denmark	85.4
Finland	94.6
France	122.7
Germany	133.8
Japan	168.3
The Netherlands	67.3
New Zealand	41.9
Norway	57.9
Sweden	64.6
Switzerland	74
United States	75.6

In the infant deaths per thousand of the population you will find here that Canada is in the eleventh position. In the nine provinces of the Dominion you find the infantile mortality to be as follows:

British Columbia	66.8
Alberta	94.5
Saskatchewan	93.5
Manitoba	85.6
Ontario	84.9
New Brunswick	106.4
Nova Scotia	97.8
Prince Edward Island	88.9

Showing British Columbia with the lowest infantile mortality of 66.8. Now, the last records for eleven cities of 40,000 and over in Canada are the records of 1922, and they are as follows:

Victoria	45.1
Toronto	90.4
Winnipeg	77.5
Vancouver	58.5
Hamilton	87.8
Ottawa	129.8
Calgary	80.5
London	91.9
Edmonton	89
Halifax	134.5
St. John, N.B.	146.9

Mr. MERCIER: What was the percentage for Quebec?

Mr. TOLMIE: I have no statistics at all for Quebec, I am sorry to say.

Mr. MERCIER: Do you conclude that there are none?

Mr. TOLMIE: I have not come to any conclusion on that point; the fact is I have none here. Now in this particular case Victoria is shown with 45.1, the lowest infantile mortality. That was in 1922, but in 1924 Victoria broke all the records in this particular connection by reducing her infantile mortality

to 31.1 per thousand. At the great Child Welfare Conference held in London last year there were no mortality figures, urban or rural, that came within twice this figure shown at Victoria. The point I wish to make plain to the House is, that this result has not been attained by chance. Victoria has a very live medical health officer and he has worked out a plan for an absolutely clean milk supply, or as nearly as possible. In 1922 the infantile mortality in that city was 45.1. That was reduced to 44.1 in 1923, and in 1924 to 31.1. As a further proof of the quality of the milk supplied in that city let me say that in 1924 not a single infant death was due to digestive trouble. The medical health officer there has had the close co-operation of the Victorian Order of Nurses, an organization that is very well known for the excellent work that it does. Together they carried on a compaign of education in the care of young babies. The Victorian Order of Nurses educates mothers on pre-natal care with the result that from 1,000 births the death rate of infants born alive but incapable of sustaining life totalled 34.4 in 1922, 25.4 in 1923, and only 17.8 in 1924, indicating the great value of this work.

Now I do not believe that the excellent showing made by British Columbia is the result of chance merely. Let me say in that particular province we have carried out tuberculin testing of dairy herds, and have insisted on good sanitation in the dairies for a very much longer period than any other province in the Dominion, with the result that many of the herds have been clear of tuberculosis for very many years. The record that Victoria has shown, however, is but another added attraction to a city that has already become famous for its wonderful climate, its purity of air, its general healthiness and natural beauty, all of which make it one of the most attractive cities in the world. What has been accomplished in the city of Victoria, and in the province of British Columbia, can be accomplished everywhere else. I should like to see the federal government give every possible assistance to this work, particularly to such organizations as the Victorian Order of Nurses, and especially to give assistance to the Minister of Agriculture in securing the needed money to carry on tuberculin testing in Canada so as to make our herds as clean as possible, because I believe there is nothing more important in this country than the saving of our young life.

In the early part of my remarks this afternoon I made the statement that if there was one thing Canada needed more than another it was business—that we should encourage every possible source of revenue that we can. In this particular connection we have a very important business engaging our attention in this country, one that is growing very rapidly, one that last year was responsible for bringing $136,000,000 into Canada. I refer to the tourist traffic coming to the Dominion during the summer months. As I have said our income from that source in 1924 is estimated at $136,000,000 divided among the provinces as follows:

British Columbia	$36,000,000
Alberta	20,000,000
Saskatchewan and Manitoba	10,000,000
Ontario	30,000,000
Quebec	30,000,000
Maritime provinces	10,000,000

The national parks are estimated to be responsible for an income of $21,000,000 while the cost for their administration was only $1,250,000. It is estimated that tourists brought into southern California in 1924 no less than $148,000,000 of business. There is another very striking statement made by Californians, and it is to the effect that 75 per cent of the settlers and investors in that state first came to California as tourists, indicating that the tourist traffic is of the very greatest possible value as an advertising medium. In fact it may well be said that many of the tourists to-day will be settlers in the country in a short time. I may say in this connection that it helps to promote a very much better feeling between the two countries which lying side by side, have maintained peaceful relations for a hundred years, and improves our international relations. The federal government, perhaps noting the importance of this work and the magnitude to which it should grow within the next few years, might render I think a certain amount of assistance by advertising on a somewhat large scale at the seasons of the year best suited to attracting tourists to this country.

There is one other important thing the federal government can do, and that is to remove every possible impediment that confronts the tourist when he comes to this country. At the present time it is possible to climb into an automobile in this city and motor to Sault Ste. Marie, go into the United States and enter Canada again at Emerson, Manitoba. From there you can ride to Princeton, British Columbia in the western end of the Similkameen country, and there you can go into the United States and up to Blain, Washington and then back to British Columbia. The government of British Columbia at the present time is constructing a piece of highway over the Fraser canyon

and through the beautiful Hell canyon, one of the finest bits of scenery in British Columbia. When this road is completed, as it will be in a very short time, it will be possible to motor from Emerson, Manitoba, not only to Vancouver but further into the prairie country. Now the length of time allotted to an American tourist coming into the country at the present time is thirty days. He has to report out at the end of that time or secure an extension. If he is going to stay in the country longer he is supposed to put up a bond of $25. I have had several communications from the west in which the parties express a strong desire to have this period extended from one to three months, so as to permit the tourist to come in from the east, take time leisurely to cross the country and get out at the west coast, allowing plenty of time to do it. I would strongly urge this matter upon the attention of the government and I hope they will give it close attention.

There is another matter in which the federal government can render a little assistance to the city of Victoria particularly, and such assistance will be very much appreciated indeed. Outside of Victoria, at William Head, we have a quarantine station. Steamers from Australia, from New Zealand and from the Asiatic countries, come up from the straits of Juan de Fuca and report at quarantine before landing at Victoria. They remain there very often two or three hours, tourists have a chance to go ashore, the Victoria people are afforded the opportunity of meeting the tourists and everybody is happy. But occasionally when they land at the ocean docks at Victoria the immigration officers take such a long time to examine the passengers before permitting them to go ashore that perhaps darkness sets in, or the period of the stay of the steamer at that point is so largely taken up that it is not worth while for them to go ashore and look around. We would like the government to send their immigration officer with the pilot to William Head, where the pilot climbs on board the ship; so that the officer could begin his examination there, and when the ship ties up at the dock at Victoria the examination will be pretty well completed, the passengers will be permitted to go ashore at once, and the people of Victoria will have a little longer time to extend their hospitality.

Another subject on which I touch very briefly is this: In 1873 two or three schooners went out from Victoria into the north Pacific ocean to begin fishing for fur seal. This business grew at a very rapid rate until a few years later some fifty-nine vessels were engaged in sealing, and some fifteen hundred people made their living in that occupation. This was an important business and was very profitable. I might point out that the seal rookeries in the Pacific ocean where the first seal breeds were located are confined to the islands off the coast of Russia, and Japan, and Prybiloff island in the Bering sea, the property of the United States. This point is very important. It simply means that the vessels coming out from Victoria at that time and carrying on their work for a number of years established the claim of the British Columbia people to the sealing industry, because we had no rookeries in our own territory. In 1886-87 the United States closed the Bering sea; Great Britain objected and claimed that it was part of the ocean. After a number of conferences and agreements following one after the other, at Paris, at Quebec and at one or two other places, the Canadian sealers, under the various regulations that were put in force at these different conferences, were practically regulated out of their business, with the result that for three years these vessels lay in Victoria harbour tied up, expecting that at some time in the near future a settlement of the question would be reached and they would be permitted to proceed with their business again. During those three years when the ships were tied up, four other Victoria sealers proceeded to sea, and broke all the laws and regulations which had been made, did not respect any treaty and carried on illegal sealing during that period. When the commission sat for the purpose of awarding proper damages to the men whose business had been taken away from them, they awarded damages to these four, law-breaking schooners, but did not give the others anything. That was their reward for enterprise.

In 1911 Great Britain, the United States, Japan and Russia entered into a treaty prohibiting sealing until 1926. Great Britain is to receive fifteen per cent of the value of the skins kept, and up to the present time their income from this source has amounted to $694,548. When the treaty went into effect in 1911 it was estimated by Professor Elliot, an expert on sealing, that this should bring a revenue of $7,250,000. Either Professor Elliot was very much out in his calculation or something else went wrong. It is necessary to give twelve months' notice before the present treaty can be cancelled, and I have a resolution endorsed by the chamber of commerce of the city of Victoria, and also by the city council of Victoria, asking that

the necessary twelve months' notice be given for the cancellation of the treaty, so that the Victoria sealers may resume their business, and with the permission of the House I will place it on Hansard.

It is dated 6th April, 1925, and reads:

Whereas the Pelagic Sealing treaty expires next year;

And whereas, prior to the treaty, sealing, for fur-seal, was an important British Columbia industry, employing large numbers of white men and Indians, and adding materially to the prosperity of the Pacific coast, and it is desirable that the industry shall be renewed;

And further, it is desirable that any industry training and accustoming young men to a hardy, seafaring life shall be encouraged;

Therefore be it resolved that the board of directors of the Victoria chamber of commerce go on record as being opposed to the renewal of the Pelagic Sealing treaty, and that the Dominion government be communicated with and requested not to renew the said treaty; and also request that, in December next, written notice of such termination be served upon the other parties to the treaty, such notice, at the expiration of fourteen years, as provided by the treaty, being twelve months in advance of the expiry date;

And that a copy of this resolution, together with suitable communications requesting support, be forwarded to Victoria's representatives in both the House of Commons and in the Senate.

I sincerely hope that the government will give this resolution very careful consideration and endeavour to look into the matter very thoroughly from all angles. The people of Victoria will be very pleased if the government find in their favour and recommend the cancellation of the treaty.

While I have been speaking on constructive matters very largely since I commenced today, I desire to say that we are drifting along as far as defensive works are concerned. Out on the Pacific coast during the war we had an opportunity of realizing our defenceless position. At that time there was a very live German cruiser squadron cruising around the Pacific ocean, and we did not know at what time we might be attacked. If it had not been for the interference of the British, who secured the services of one of her allies to protect us, ws probably would have suffered severe damage at that time. Now everyone will acknowledge that, although the war is over, the world is certainly not in a very restful condition. We know that countries are arming on all sides. We have competition for trade, many international questions are arising that might cause an outbreak of war at any time, and I feel that it is very foolish to lull ourselves into a feeling of false security, or to follow the example of the ostrich, hide our heads in the sand and imagine we are safe. It is better to face the proposition squarely and devise some plan of whatever nature we may deem best and just, and then to carry that plan to a successful conclusion.

In the matter of naval defence, it is quite apparent that the great powers are not satisfied that all danger of war is over. I have here a copy of a White paper issued in London on March 4 giving particulars regarding the number of vessels of certain types under the control of different countries; and the ships are very heavily armed. The following is a comparative table of these vessels:

	Cruisers	Destroyers	Submarines
British Empire.. ..	8	2	4
United States.. ..	9	12	15
Japan..	11	36	59
France..	9	23	28
Italy..	5	26	20

I quote the following despatch:

The admiralty give details of the designs of many of the new foreign ships in the White paper, but discreetly suppress all details about our own vessels.

Thus we learn that there is a probability of the new Japanese cruisers of the Nachi class carrying the stupendous armament of twelve 8-inch guns. They will presumably be mounted in four turrets, and the broadside fire of such a cruiser would be 3,000 lbs.—five times as much as that of the pre-Washington cruisers.

The new French cruisers will have an armament of eight 8-inch guns, and the same number is allotted to the new Italian vessels.

This would indicate quite clearly that the great powers are not satisfied that all danger of war is over. Looking at our own condition, we find that we are practically helpless at the present time. We forget that the mere fact of our being disarmed will not save us from attack, and our losses in the event of attack would be simply tremendous. On the Pacific they would destroy our commerce and levy toll on our cities, perhaps destroying the coast cities; and they would ruin the coal mines of Vancouver island and destroy the dry docks and docking facilities generally as well as our elevators. And in the dry summer season they would set fire to hundreds of millions of dollars' worth of timber which could never be replaced. Altogether an attack would set back Canadian prosperity perhaps a hundred years, on the coast at all events. Our defence provided at the present time to protect us against any possibility of attack consists of two destroyers and four trawlers. These are not considered naval ships anywhere in the world that I know of except in Mexico, which country does not stand among the first. These destroyers do not possess the necessary accommodation for training purposes so that training work cannot be carried on beyond a day's voyage. The trawlers are slow little vessels steaming about nine knots

under favourable conditions and in good weather, and they are fortunate if they make four knots in a gale. I understand that they are unable to lower the boats in rough weather and they have no power to tow. And everyone who knows anything about the Pacific knows what the weather is like there in certain seasons. They are also inadequate for life saving purposes, and nothing but the best equipment should be used in this direction. In case of shipwreck with vessels of this kind a serious loss of life might result.

On the east coast the naval equipment is practically the same, except for the fact that they have an opportunity of training with the British navy at certain seasons of the year in the West Indies.

The personnel of the navy in my opinion is first rate in every respect, and most of the men during the war had an opportunity of serving in conjunction with the British navy. You can imagine therefore what their feelings must be, after having participated in the war, to be required to put up with the meagre equipment at hand. They are carrying on from year to year in the hope that at some time some substantial improvement will be made in our naval establishment. They get no pension and no separation allowance, and I would call this fact to the attention of the Minister of National Defence (Mr. Macdonald, Pictou) with a view to having these men placed on an equal footing with our other defensive forces. There is the Royal Canadian Naval Reserve and there is also the Royal Volunteer Reserve, both of which are doing well, the officers being interchangeable with the British navy under certain conditions. Now, in considering the naval question we should remember that it requires about four years to train a seaman or seaman-gunner and seven years to train an officer. So that time is a very vital factor. With regard to our defensive measures, that is simply a matter for experts. After talking about all sorts of things in relation to agriculture I would not risk for one moment any suggestion touching the question of naval defence, for I do not know anything about the subject. I wish however to present a resolution passed by the Air Force Club of British Columbia, and with the permission of the House I would place it on Hansard.

The resolution submitted reads:

Whereas in the consideration of Canada's general defence policy, and having in mind also the trend of modern warfare, some thought must be given to the question of countering the use of aircraft by an enemy;

And whereas an air arm of defence, capable of co-operating with the present or future land and sea defence forces of the Dominion, becomes a matter of necessity;

And whereas financial considerations make the maintenance of an adequate and efficient permanent air force impossible;

Therefore be it resolved that the Department of National Defence of the Dominion of Canada be asked to give due consideration to the suggestions embodied hereinafter and to take appropriate action in the same connection:—

1. That a Reserve Air Arm be formed to supplement the existing Royal Canadian Air Force.

2. That the personnel of such a reserve be drawn from the membership of accredited air force clubs in each province.

3. That the training of such personnel be done at the existing R.C.A.F. stations and under the supervision of officers of the R.C.A.F.

4. That supplementary equipment be supplied to each R.C.A.F. station to make such training possible, due consideration being given to the physical requirements of each locality.

5. That priority be given in the supply of facilities for training to the province of British Columbia in view of the fact that owing to climatic conditions training can be carried on at Jericho air station at Vancouver all the year round.

6. That training be commenced at the earliest possible opportunity at the Jericho air station for members of the Air Force Club of British Columbia under the supervision as No. 3 provides, all active members of the before-mentioned club to be automatically enrolled on the Air Force Reserve (vide No. 1), and all such active members to be instructed or reinstructed, according as to whether they have flown before or not, and brought to a standard of efficiency to be decided on by the senior supervising officer or O.C. station.

It is submitted that by adopting the action outlined above the Dominion of Canada would be assured at all times of having at the least possible cost the maximum of trained air personnel, both available and in a state of efficiency that would make it a force of the greatest value, both when acting as a first line of defence, and also when co-operating with naval and military forces guarding the coast of British Columbia which lies nearest the most probable zone of warfare in which in the future Canada might be defensively engaged.

What is Japan doing? She has the third largest navy in the world, is very efficient, and is establishing several stations on the Pacific. And the United States is rapidly preparing for any emergency. She has provided for naval defence on three sides and for this purpose she requires a very large force. On the Atlantic coast she is strongly fortified, and she has fortifications on the Panama canal and along the southern section of the country. On the Pacific coast as well as on the Hawaiian and Philippine islands she has also considerable fortifications. And she is establishing naval bases at all these places. In Alaska she has three military posts already and is talking of establishing a naval base at a place called Dutch Harbour, while at Puget Sound she has six powerful fortifications. In addition to that she has a strong naval base at Bremerton, where there is a 700 foot dry dock; and she is building works for the accommodation of the

whole north Pacific squadron. At the mouth of the Columbia river she has three strong forces and in California she has fortifications, naval training stations, marine barracks, naval air stations, army air stations, destroyer bases and huge storage capacity for oil, gasoline and lubricants. In Hawaii she has established very powerful forts and is building a strong naval station at Pearl Harbour, which is being fortified with sixteen-inch guns. In the Panama canal she is placing four sixteen-inch guns at each end and in addition to that she will maintain forty seaplanes besides other defensive works.

Apparently therefore the United States is not going to allow itself to be lulled to sleep by any peace conferences; and with the United States and Japan arming, we in Canada must wake up to the possibilities of the future. Canada is much more favourably situated than the United States from the standpoint of defence. In the first place, it would not be of any use for an army to attack us on the north, even on the Hudson bay. And on the north Atlantic, from Labrador to the north shore of the St. Lawrence, as far as Saguenay river, an attack would be futile. Our eastern strategic area would be Newfoundland, Nova Scotia, New Brunswick and Gaspé. On the Pacific we have a long coast line which, taking into consideration all the islands and indentations into the shore line, would cover some 10,000 miles. There are very few points along that coast where there would be access to railways or where there would be good roads, while parts of the country are so rough that it would be altogether useless for a force to attempt to land. With our long narrow channels and our deep fiords running into the mainland, certain lines of defence could be very effective. The great question in the event of Japan and the United States engaging in war would be the necessity for our maintaining a position of complete neutrality. There would be an opportunity on the long coast line of the Pacific for one of the belligerents to establish a submarine base and we should be immediately involved in a complication unless we could preserve a strict neutrality. We would, it is true, expect the assistance of the British fleet, but the British fleet might take a considerable time to get under way, as it did in the last war, inasmuch as it must extend over the whole globe for the protection of British dominions wherever they exist. So that the delay might be serious if we did not have adequate defensive works to serve us in the meantime. A good, defensive equipment on the Pacific coast would, on account of the nature of the coast and of the country there, cause any enemy to hesitate for some time before proceeding to attack us. Now, as I have already pointed out, the plans for our defence should be left entirely in the hands of experts, but I would suggest the following procedure under present conditions. We may be involved in war at any time, and in that event we would be absolutely helpless. No one realizes the necessity for economy more than I do, and I would not for one moment propose that we go ahead and build immediately any big defensive works; rather I would propose that we should have a carefully thought out plan of defence, and then decide on certain construction work and proceed gradually, adding a little every year, until we had completed a very effective defence. I would call this to the attention of the government, and particularly of the Minister of National Defence.

Mr. FERNAND RINFRET (St. James) (Translation): Mr. Speaker, I wish to briefly express my views on the budget, and to do so in the French language. It has sometimes been a matter of reproach to French Canadian members that they do not make a more frequent use of their native tongue in the debates of the House of Commons. No one more than myself, Sir, wishes to uphold our claims in favour of the rights of the French language. Is it necessary for me to add that, when we express ourselves in another tongue than ours, we do not do so because it eases our task or we think that we can express ourselves more fluently in a language which is foreign to us. However, it may be necessary, in a brief debate, when views are exchanged in the course of the same sitting and the vote must be taken that very evening, it may become necessary, if we wish to acquaint the House with our views as to those very rights connected with the French tongue, to couch our remarks in a language which may be understood by those for whom they are intended.

Some hon. MEMBERS: Hear, hear!

Mr. RINFRET: This is why the French Canadians in this House, often take part in English, in the discussions, and furthermore, because they wish to maintain, in the Parliament of Canada, the influence of the province they represent. Far from rebuking them, I think they should be congratulated on the unavoidable effort they are forced to make to reach this aim. Nevertheless, I am fully aware that, if we go to extremes, there would be danger of not hearing often enough, in this parliament, the lovely accents of the French language; there are other discussions,

such as those that are protracted, when it is, on the contrary desirable that the French language should be heard. I, therefore, think that the discussion on the budget, or the one in answer to the Speech from the Throne are occasions when one may do so without any inconvenience. Quite a number of my colleagues, before I rose, took advantage of this privilege in the course of the present debate, and it is a pleasure for me to follow suit.

There is, at present, a committee appointed to revise the rules and regulations of the House, and through the partly opened door, we have already heard the rumour that one of the reforms will tend to limit the speeches of members to half an hour. It is my intention, Sir, even before this new regulation is submitted to the House or is adopted, to apply it to myself, and I shall endeavour to express myself as briefly as possible.

I wish, first, to express my astonishment that, in the course of this debate, so little was mentioned about the tariff. In listening to the members of the opposition last year, and even sometimes when they are delivering speeches before the public of this country, the most important question, was that of the tariff. Yet, we have heard quite a number of members from the opposite side, we have equally looked into the empty and distressed amendment of the member for West York (Sir Henry Drayton) and we have noticed that no mention whatever is made of the tariff. I am anxious to hear the leader of the opposition to see if he will not take his cue from his lieutenants on this question or whether they only obeyed formal orders from him. The leader of the opposition (Mr. Meighen) will fall back, no doubt, on his contention that he has placed on the order paper of the House, a motion which outlines and explains his policy on protection. He has already, on more than one occasion, made use of this subterfuge to avoid being dragged on these grounds by questions or other means. I am inclined to think, Sir, that when the leader of the opposition placed this motion on the order paper at the beginning of the session, it was not with the idea of discussing it, but rather to give himself a pretext not to do so when, as in the present circumstances, he would be called upon to state definitely, both his views and those of his followers, on the budget.

Mr. ARCHAMBAULT: Hear, hear!

Mr. RINFRET: And why? Why did he, through the intermediary of his lieutenant, move an amendment in which are not included his views on the tariff? He wished to drag behind him,—which is an easy task—the very small phalanx of those who support him in the House; however, he also wished to transmit a message devoid of a tariff proposal to a whole group of agrarian members holding entirely different views from his own, on this question, but who on other grounds may disagree with the government.

The Conservative party last year had forecasted that the King government would entirely demolish the tariff walls. In the city of Montreal, Sir, they published beforehand the photographs of the factories which, it was said, would close their doors in the course of the year. This year, the opposition is very much disappointed to notice that in the present budget, the government not only does not lower the tariff, as it had been foreseen, but that on certain items the changes are upwards. And, in my opinion, this is an excellent policy, a policy of good common sense. Tariff, to my viewpoint, must not be a question of fast rule. It always amuses me, I wish to be frank, to hear certain members in the House for whom there is but one rule to follow in tariff matters: if you lower the tariff, it is an excellent policy, if you increase the tariff, it is a bad policy. While you have others who, obeying the same impulse, but in an opposite way, take absolutely the same attitude in favour of what they call protectionism. I would further add that the tariff should not be based on local consideration. Very often a member who proclaims himself moderate in tariff matters takes the following attitude: He demands protection for the industries which are in his county, although he is perfectly willing to open the doors for those which happen to be in the neighbouring counties. I do not agree that we should look at the tariff in that light. I think, on the contrary, that tariff is above all a business question, an adjustment to be established among the various interests of the country. The present government was quite justified, last year, in lowering the tariff on farming implements, as it wished by this measure to help the farming class which needed it, and events have shown that this lowering of the tariff has given excellent results.

Mr. BOUCHARD: Hear, hear!

Mr. RINFRET: However, I equally state that the present government is quite right, this year, when they increase the tariff on coal; for, in so doing, it adjusts a situation which was extremely complicated and greatly

to the disadvantage of our Canadian coal producers. Once more has the government proved its wisdom.

For my part, I would approve with pleasure a budget introducing, on the one hand, reduction in tariff, where they can be useful to certain classes; however, on the other hand, raising the duties where they are necessary. In other words, I would support a tariff policy which, leaving aside fast rules and theory, only acknowledges the practical interests of the country.

While on the subject, I would like to point out: That a certain group has been led to believe that the word protection was identical with that of high tariff. I maintain that the only way of protecting industries is not necessarily to raise the tariff. For instance, last year, by decreasing the tariff on the raw material which enters into the manufacture of farm implements, the government was protecting, on the one hand, these industries, in the proportion that it had, on the other hand, exposed them to foreign competition.

The industries of this country are at various stages of industrial development. It has happened to me, in the course of a session of parliament, to receive representations on the part of two industries requesting, as means of protection, measures which were the very counterpart of one another. And why? The former manufacturer, who was located in the county of my good friend from Rouville (Mr. Morin), turned out a finished product; and what he wanted, was a high tariff on the finished article. On the other hand, the other manufacturer received from foreign countries a product which he but finished, therefore, his interest was that we should allow this half finished product to enter free, while the manufacturer who produced the same article wanted it protected by a duty. You cannot, under one tariff, afford equal protection to all industries; if you admit the raw materials free of duty you protect certain industries more effectively than with a uniformly high tariff wall.

Another way you can help industry indirectly is by increasing exports, by obtaining tariff concessions in the way of decreased duties on our products entering foreign countries. Therefore, Mr. Speaker, it is undeniably wrong to confuse the term "protection" with the term "high tariff," since quite frequently the effects of the one and of the other are conflicting.

As to the British preference I think we might with advantage study this question. Were I to find fault, it would be to say that the British preference is too restricted. Just as I balk at a doctrinaire tariff so with the British preference I would have preferred that instead of being on a straight level it had left some margin for readjustments, had retained some elasticity. I believe it is time to ascertain right now if there be not certain products on which the British preference should be curtailed or done away with entirely. Moreover I would like to see a certain measure of reciprocity granted Canada by England. However, I have read with interest in the newspapers that the present Imperial government in its budget, will restore the famous McKenna duties. Once that is done the home government may be in a position to grant us certain favours over foreign products.

I would like now, Sir, to say a word concerning our transportation problems, which are many and varied. This year the government will attempt, through the medium of a subsidized company, to control ocean rates. The question has been referred to a special committee. Those who have followed the proceedings before this committee realize how very complicated the problem is; and for my part I shall certainly have nothing to say on the matter until the committee has finished its work. But I might request the Conservative organs to do as much; while the parliamentary committee is compiling the testimony of those who are best acquainted with the subject, I cannot be expected to evince much interest in the forecast of these Conservative organs which have already decided that the evil is non-existent or that the government's plans are worthless. We shall be at leisure to judge matters when we are fully apprised of the whole situation.

The House will be called upon also to make a very important decision with regard to freight rates established under the Crowsnest pass agreement. I shall not go into the history of this agreement which is well known to you, Mr. Speaker. You are well aware, too, how matters stand. At the present time the rates laid down by this agreement are in force, since the suspension was lifted. The case was taken before the Supreme court. The court held that the act creating the Board of Railway Commissioners did not give the board jurisdiction in the matter at hand. The House will have to decide whether or not we should extend this jurisdiction to the Board of Railway Commissioners. It is quite evident that we will have to study this question in the light of the needs of every district in the country; and on this point, as on the tariff, I am willing to concede that our attitude should not favour one part of the country to the detriment of another. But it

in a flagrant contradiction that while we give the railway board the authority to fix rates on our Canadian railroads, the board's hands should be tied with respect to one part of the country. It appears to my mind impossible for the board to devise a harmonious schedule of rates for the whole country if, at the very start, jurisdiction is denied it over certain commodities and certain districts. We are desirous of protecting the interests of the whole country; but I trust that the government, with the support of this parliament, will bring down a bill granting the needed authority to the railway board which is essential to its efficiency.

Another transportation problem with which we have to deal every year is that concerned with the government merchant marine. During the last campaign we were very severe on the preceding administration for having built these ships and saddled a tremendous debt and an annual deficit on the taxpayers of this country. I admit in all frankness, Mr. Speaker, that personally I have more sympathy for the present government than for the marine bequeathed to it and I wish that circumstances would reveal some manner of getting rid of this problem. I realize that any definite advice would be premature. We are told that some of these ships co-operate with our National railways; and if the Petersen contract becomes a reality it is possible that some of them may be added to that fleet, although very grave doubts exist on that score.

At any rate, I must congratulate the government for having offered some of those ships for sale and even if there has not been any satisfactory bidders so far to relieve us of part of that burden, I would certainly be ill-advised to reproach them with maintaining inevitably the balance of that fleet.

But there is something far more important than the government merchant marine: I mean the government owned railways, and on that question I wish to express myself very definitely. Nobody will deny that the fair trial which has been made of public ownership has brought about some improvements, unquestionable improvements in our railway service. Everybody will admit it. But the result is quite different as regards the financial improvements of these roads, for as you study that problem, and as you go through the public accounts you will find at every page of the public ledgers more items than ever relating to the National Railways which show that the deficit and the obligations are still greater than most people would imagine. We took no exception to a fair trial being made of public ownership, but I think that such trial, if it is to be fair towards the railways must also be fair towards the taxpayers who have to bear the cost. We can already foresee the day when we shall be bound to realize that the experiment cannot be carried on forever.

The other day, when I was present at the committee inquiring into the estimates of the National Railways, I was greatly impressed by two formal statements of Sir Henry Thornton. First, he said that there was not enough traffic in Canada to support two competing roads such as we have at present and he added that owing to the progress of the motor cars which are now carrying not only passengers but freight, the loss thereby sustained by the railways was greater than the gains they were able to make elsewhere. The president of the National Railways further stated that, in his opinion, if the two roads were merged into one system, he thought their profits would be sufficient to pay the interest on all fixed charges. We must face the actual facts. The losses are not operating losses, for we are told that there are profits from that source. It is due to the tremendous amount of interest which we have to pay on obligations and fixed charges. That is why, if we have done wrong in building or in giving grants for the building of too many roads at a time when nobody could expect that the war would revolutionize our financial system, it was also a mistake, in my opinion, and perhaps a greater mistake to take over these railways, especially so because the government, when they bought the roads, assumed all their obligations, whereas it certainly would have been possible, had they proceeded otherwise, to assume only part of these obligations. Whereas no private concern in the world would have taken over the Canadian Northern or even the Grand Trunk and assumed at the same time the whole of their obligations, the government of the day, that is the government preceding the present administration, bought the roads and said: All these obligations, all these guarantees, all these debts, we are ready to assume and endorse and we will pay each year the interest on these charges. Therefore, Mr. Speaker, when people talk about changing the train schedule and doing away with so many trains on such or such a line, I think that is merely adding a drop of water or rather taking it from the ocean. Naturally, under such conditions, any saving, how small it may be, would be welcome; but is it not evident, at first sight, that it is not the way to secure for the railways not even profits, but a lesser deficit than that which we have at present.

The fixed charges will always exist and we shall always have to meet them. But, Sir Henry Thornton says, if the two railways were merged, leaving only one system, the returns to be derived therefrom could balance the interest charges to be met and then we might be able to make both ends meet. I admit that there are considerable objections on both sides. If the government or the National Railways are to take over all the railways of this country, it means that we shall go deeper into public-ownership and you know, Mr. Speaker, that it has not been a success anywhere in the world. So far as I am concerned, I would be very sorry, notwithstanding the stand taken by some hon. members from this side of the House, to see the government aggravating our situation in that direction. On the other side, if the railways are absorbed by the great private company operating it at present, I very well see the danger of a monopoly. The fault rests with the topography itself of our country, trade moves from east to west and vice-versa. Perhaps the fault also rests in the way we proceeded, not only in the last twenty years, but since the inception of railway construction in Canada. How different is the American system. There exists in the United States a great number of railway companies. Each state has its own. There exists no transcontinental railway. We do not find in that country this rivalry to extend from ocean to ocean which drove, first, the Canadian Pacific Railway, then, the Grand Trunk Railway and finally the Canadian Northern to build from the eastern centres as far as the Pacific coast. Moreover, the United States forming a perfect quadrangle, the movement of trade spreads in all directions. It is clear that the railway situation is far better and easier than ours.

Therefore, Sir, in view of this intricate situation and the drawbacks which I fully perceive, I am disinclined to definitely come to a conclusion. However, I think that we should, at least make provision for the time when we shall have to put an end to the present situation, when the trial, as fair as it may be, will end by weighing too heavily on the shoulders of the taxpayers; and consider a project of merger. It will, however, be necessary that, by this merger, the government that is the country, should secure reasonable conditions in regard to financial readjustment of those obligations which run up our public debt, and that the new service obtained, be placed under the complete control of the railway commission, so as to guard against the danger of monopoly.

[Mr. Rinfret.]

Before resuming my seat, Mr. Speaker, I wish to congratulate the government on the fair and just way in which it has undertaken, since it is in power, to re-establish the proportion which is due to the French-Canadian element in regard to the various positions of this country. And if I do so—it is always a delicate matter to talk upon a question which gives rise so easily to prejudice—if I do so, it is precisely because we have been challenged by the opposition on this question. A very satisfactory answer has been given, by enumerating a great number of positions which have been allotted to our people, or which, in certain cases, have been for the first time, as for instance in the case of the Auditor General, allotted to a French-Canadian.

It is, I repeat it, a very delicate question. We only claim our fair share. Never would the thought enter our head to precipitate a conflict on this question. The Liberal party, on the contrary, has always been a party of moderation and conciliation; it has always been challenged right and left precisely on such questions. However, it would be very unfair not to recognize that, from the bottom to the top of the ladder, the present government has done enormously to re-establish in the realm of influence the share which belonged to the French Canadians of this country.

I might also, myself, recall the splendid way in which we were represented both overseas and in Washington, by French-Canadian ministers. And, were it not that I see two, who do me the honour of listening, at this moment, and were it not for the fear of wounding their modesty, I would dilate at greater length on the subject. There are others. Never, perhaps, at any time in our history, have we been given, in foreign representation, the recognition granted to us by the present government. The same may be said of appointments to the bench, of our share of influence in the government itself, of the important appointments in the civil service. I recall that at one of the first sessions of this parliament, I strongly advocated that the Postmaster General (Mr. Murphy) should appoint a French-Canadian deputy minister in his department. The leader of the opposition, who was sitting on the opposite benches, rose then, and, in the satirical tone, which is particular to him, prophesied that we would never obtain such a favour. Nevertheless, a few months later a French Canadian was appointed Assistant Postmaster General. On other occasions, a more favourable proportion, for our people.

was re-established. Everything cannot be accomplished in a day; and I would be the first to ask, that in the assertion of our claims, we do not go so far as to precipitate a regrettable conflict or revolution. We lost so much ground under the preceding government that it was impossible to hope that within a few months equilibrium would be restored. However, what astonishes me, to-day, is that, while we are discreetly endeavouring to obtain favours or our rights, which are generously granted to us, it is the representatives of the party who infallibly refused them to us, that rise in their seats to loudly claim justice. And they are the ones who are held up among certain groups as the saviours of our race.

I wish to point out the fact that in many cases, of equal competence, preference was given to French Canadians, because it was deemed proper to restore our fair proportion. We did not even consider the political affiliations of the candidate to whom we granted a promotion, if in obtaining it that could better the situation of our people. I could understand, perhaps, that certain Liberals carried away by their zeal made us a slight reproach on the subject; I could still understand that in certain cases an English speaking member would rise to ask for explanations on some appointments; however, what I cannot understand, is that it is precisely those of the political group who maintain that they have no other aim than to seek the interest of French Canadians, that they are precisely those who reproach us when we obtain favours of that nature. Fortunately, however, the people are not to be deceived. We witnessed in 1910 and 1911 such a campaign. It was equally said, at the time, that the Liberal government were not fair to our people. A number of our people were deceived, they voted for certain members who were to save our race, and we well know that when they reached this House they did not even save their skin. The Quebec people know where to find their friends. When I say that I am astonished at this campaign, it is but my first impression; no, I am not astonished. Ever since they have come into existence, since that memorable time when, in 1909, that party came to life in broad daylight, they have always taken that attitude towards us. They have never placed any faith in the Liberal party and neither have they ever acknowledged what we have done for our people; they have never ceased criticizing. Whenever we obtain a favour, instead of congratulating us as we deserve, they hasten to point out some other thing upon which, it seems, we have gone wrong; and far from registering the successive stages of our conquests, they only create difficulties and throw obstacles in our way which very often prevent us from obtaining more. I stated, Sir, at the outset that I would remain within the half hour limit; I hope that I have not gone beyond the time stipulated and that I have complied beforehand with the excellent new regulation that your committee will submit to the House in the course of this session.

Were I to sum up my views, I would first state that I am in favour neither of free trade nor protection, but of a tariff committed to no fixed rule or sentiment, or that is inspired by the true interests of the country. And as to our railways, without going deeply into such an important and intricate question, I state that the time has come to study carefully a merger scheme which would lighten the burden of state ownership; providing that this merger scheme be of a nature to free us from our public debt, of part if not from the whole of the obligations which these railways impose on us; and that we can place the new service under the perfect control of a commission which will see to it that the interests of the taxpayers are fully protected.

Mr. A. J. LEWIS ((Swift Current): Mr. Speaker, my only reason for rising to take part in this debate is to deal with the financial situation of Canada as I see it. But before dealing with the financial statement, I should like to make a few remarks with regard to certain questions that have been raised and brought to my notice during the past few days.

A few days ago I read in the newspapers that a certain gentleman from western Canada had suggested a scheme that would relieve us of a great many of our difficulties and possibly solve our financial problems. I read the brief report of his remarks and afterwards received the full account of what he said. I thought at first he had some new scheme to offer that would afford a remedy for our present difficulties, but after going into it very thoroughly, I find there is very little in it that is new; it is simply the old National Policy intensified and carried to the "nth" degree. I have reference, of course, to the Patterson scheme for Canada. I will first synopsize it and then briefly criticize it. It proposes a protective tariff "high enough to guarantee that goods will be made in Canada." Well, there is not very much new about that. Then, protection for the consumer by regulating the price of goods made in Canada. There may be something new in that

if it is possible to accomplish it. Then, limiting the import of goods to the extent of eighty per cent of their present figure. Now, in attempting to carry out this scheme, the first premise would be fairly easy; and I can readily understand that such a premise would appeal to those whose slogan is, "buy goods made in Canada." It would be easy enough if the right party got into power to make the tariff high enough to guarantee that commodities would be made in Canada. The second premise is a little more difficult; the control of commodity prices when you shut off competition is admittedly difficult. It would be possible to place on the statute book a law to provide that the present prices of any commodities protected by the new legislation should not be exceeded, but who is to say whether the price is justified or not, and who is to enforce the law everywhere in Canada? When you attempt any artificial restriction with or interference in commerce, in nine cases out of ten the consumer suffers. To stop eighty per cent of the present imports into Canada could also be arranged if the tariff was high enough, but what would be the result? At present we sell over 200,000,000 bushels of wheat in the European market, Great Britain being our largest buyer; and we also ship bacon, eggs, cattle, butter, fruit, flour, and so forth, in large quantities to those markets. How will these people pay for the commodities we ship to them in such large quantities if they are prevented from selling to us? It is beyond my comprehension. Even if it were possible for them to pay in gold, what about the return cargo? How long would the shipowners continue to carry our cargoes at the present prices—and there are many in this House who think the prices are already too high—if the ships had to come back empty? It could not be done. The scheme is absurd, fantastic; the child of a disordered brain; a scheme the results of which would make the present confusion appear as law and order. If we hope to sell in a foreign market we must reciprocate by buying in that market, otherwise the consumer and the primary producer will ultimately suffer.

I know there is a great demand in Canada for lower taxation. I have spoken to ministers, to bankers, to business men, to boards of trade and to hundreds of farmers in the west, and they are all very anxious that the government should show some signs of tackling the problem and of instituting some scheme that will ultimately bring about a reduction of our national debt. Yet we are forced to the conclusion that we must raise a larger revenue. I have studied the question very carefully and I believe that if the government will get down to real business it can be done. We have to make a start and we should give the people a lead and encourage them. The people of Canada are very much depressed and I know it is difficult to remove that depression. But your difficulties and problems are not solved by putting your hands down to your side; by inactivity; by submission to the powers that be. On the contrary, they can only be solved if we courageously shoulder our burdens and give the people a square deal, and that can only be done by taxing those who enjoy special privileges that are not enjoyed by the masses.

Before passing to the financial question, I would like to congratulate the member for Victoria City (Mr. Tolmie) on his contribution to this debate, and especially his contribution to agriculture. It was full of pregnant suggestions, and there is not a doubt in my mind that if many of them were carried out, the agricultural communities in Canada would be greatly assisted. But we are too often fed up with suggestions. We realize that many of our own men are practical farmers, experienced in every detail of their work and yet under these conditions they are not able to make their farms pay.

The other day there was placed in my hand a paper with reference to Canada's competitors in the various markets of the world. I do not think that our farmers need very much advice on how to farm or as to what system of farming they should cultivate, but what I do believe is this, that the government and the powers that be should assist or at least attempt to provide adequate markets for the great production of our farmers at the present time. Here is one suggestion that I want to make, and it is in regard to butter. Three years ago I was in Moose Jaw at the time of the by-election, and when I returned to the House I made the statement that eggs and butter were selling at a certain price, and a friend of mine diametrically opposite read a certain passage out of the Moose Jaw Times of the same date evidently contradicting what I had said. I was new to the House at the time or he would not have got away with it; he would not get away with it to-day. I want to point out that at that particular time he was quoting from an editorial, and that editorial was copied from an editorial that had appeared somewhere down in Fort William, so it had absolutely no reference whatever to the situation. Let

me read this in regard to Canada's competitors:

> Let us look at the possibilities of the British market, as it is the only steady market in the world and should be catered to by the Canadian people, as is being done by numerous other countries. It might be interesting at this point to know something of the amount of butter imported by the United Kingdom. We find that the figures for the year 1924 are 592,789,232 pounds. Again, let us look where this butter comes from. We find Denmark at the head of the list with exports of 194,226,032 pounds, or 32.8 per cent of the whole import of Britain. Next in volume is New Zealand with 121,706,704 pounds or 20.5 of the whole. Following in line comes Australia with 70,567,616 pounds.

That is Australia, farther away from the British market than we are, but it has 11.9 per cent of the whole import.

> Next in order is Argentine with 60,340,448 pounds, or 10.2 per cent. Next in order the Irish Free State with 51,666,832 pounds or 8.7 of the whole. Next comes the little land of Finland with 15,071,168 pounds, or 2.5 of the whole. Next is Canada with 14,713,888 pounds, or about 2.5 of the whole.

I shall not go further down the list. There are a few other countries with an even lower amount. What I wish to suggest is this: Here is an opportunity for the Department of Agriculture, the pools and the co-operative societies to get together to see if it is not possible that we in western Canada shall have part of this market for our dairy products. In the recess while I was at home, butter was selling at 20 cents a pound. There is very little money in it at that, and all the local dealers could get for it if they sent it to the city of Moose Jaw was 17 cents. New laid eggs were selling at 15 cents per dozen. Now there is very little use in advocating diversified farming in western Canada because the local market is already glutted, and unless we get some co-operative marketing system, and a definite understanding of what is required for the British trade, it is not much use continuing as we are doing. The British trade, as I have already said, offers a steady market, and I believe it is worth our while to cultivate it. From the figures I have read you can readily see that we are only touching the very fringe of it. A dairy commissioner from New Zealand, who was on his way back home from Great Britain via Canada, and whom I met in Central Butte told me that as a result of his year's work the average price in the British market of New Zealand butter was nearly 50 cents or 1s. 11½d. per pound.

I do not know what it will cost to take butter from western Canada to Great Britain. I know it costs 3 cents a pound to get it to Montreal. It may cost another 3 cents to take it overseas, and with commission charges of 4 cents, there would still be a margin left to the western dairy farmer of 40 cents a pound, double the amount that he is getting at the present time. But to capture the British market we shall have to have a uniform standard of quality and also be in a position, I understand, to guarantee a regular supply to that market. It is well worth while, and if our authorities, provincial and federal, and our co-operative societies would get together in an attempt to get a fair share of the trade of the British people it would solve one of our dairying difficulties at the present time.

Attention has already been called to the proposed extension of the stamp tax to be applied to cream cheques. It has been mentioned by many of our western members, and I have received letter after letter from various companies in the west and numerous letters from many of the dairy farmers. In view of the reports made by the western members, I think the Acting Minister of Finance (Mr. Robb), when he makes his reply, should announce to the House that this tax will apply only to cream cheques over $10. As has already been explained, many of these cream cheques are only for $5, and some of them for less. Without stressing any further importance of this infant industry of the west, I would point out that the minister has already many examples of such exemptions on the statute book at the present time. For instance, cheques over a certain sum, over $2,500, are tax free, even though the cheques may run up into the millions. It is true that a tax is paid up to a definite figure, but once that figure is reached the balance is untaxed. Now if the Acting Minister of Finance listened to the pleading of his wealthy friends or the capitalists, because that tax was changed to meet their wishes, surely it is just as reasonable for him to accede to the wishes of the struggling mass of primary producers. Another example is the tax on automobiles. On automobiles under $1,200 the excise tax is 5 per cent, and on cars over that amount, 10 per cent. This is eminently fair, as we feel that those who can afford to buy a better and a dearer car can afford to pay a higher tax. We also exempt from the income tax incomes less than $2,000. Here we have three specific instances of tax relief or total exemption under certain sums, and I feel that the Acting Minister of Finance would be only following these precedents if he eliminated from the proposed new tax all such methods of payment in the case of sums under $10. The Minister of Agriculture (Mr. Motherwell) is

in his seat. He has continuously advocated mixed farming in the west, and hundreds and thousands of farmers have taken his advice seriously only to find that the result is to be used as a further means of taxation. I trust that when the proper time comes the minister will use his influence in this matter in so far as it applies to cheques under $10.

Now I wish to speak in regard to the financial question. The subject of the disapproval or approval of the means of raising taxation and revenue for our various expenditures is before us once again, and it has been the subject of debate in this chamber now for one month. The Acting Minister of Finance, in spite of the depression that seems to be evident amongst our great industries and the decreasing revenue, has made what I would term the best of a bad job. Of course a budget will not satisfy every person no matter who brings it down—whether the Liberals or the Conservatives bring it down, and there possibly would not be much difference between the budget in either case. I do not suppose that even a Progressive budget would satisfy everybody. It would not satisfy the capitalists; but I do believe that if the Progressives brought down a budget it would at least satisfy the common people and the masses in this country. I am quite aware that it is the easiest thing in the world to criticize, but it is difficult very often to put forward a constructive programme. One of the criticisms levelled at the Conservative party during the debate on the Petersen subsidy was the fact, that although they saw its weakness and criticized it, although they saw the need of reduced ocean freight rates, they did not attempt to advance any alternative plan. The question that invariably arises in this connection is: What would the Progressives do if they were in power and were called upon to raise a revenue of from three hundred to four hundred million dollars a year? The task has not been made any easier by the fact that the revenue has been reduced this year by about $52,000,000; and there is the added fact that depression and unemployment are greater than has possibly been the case for some time. Under the circumstances I sympathize with any government. I sympathize with the Acting Minister of Finance in his task; but I also think that the Liberal party has fallen into the error of believing, as suggested by our Conservative friends, that this loss of revenue is due to the fact that a year ago they touched the tariff. If that is all the faith the Liberals have in their own pledges and in their own platform, then I think the sooner we get those people who believe in the tariff, those who believe in protection on one side of the House and those who believe in a tariff for revenue only, on the other side of the House, the better it will be for all concerned.

Now, with respect to the financial condition of Canada and also of the Canadian National Railways it is extremely difficult for the average citizen of Canada to learn just what we spend. Here I want to congratulate the Acting Minister of Finance on putting it over the Canadian people. I may say that during the recess I spoke to three or four assemblies of people in the west, and I never met one man who knew just where we stood financially. I have also listened to many of the speeches in this House, and nearly every hon. member deals with different figures and arrives at different conclusions in regard to our public debt. I know that the Acting Minister of Finance said last year, and this year reiterated the statement, that he had balanced the budget and that there was $35,000,000 to the good. But the question I should like to ask is this: Did we receive more money last year than we expended altogether? The very fact that we had to get loans last year is proof ipso facto that we did not balance the whole budget of the administration and the Canadian National Railways. As regards the current year, and this is the year we are concerned in, the government professes to show a surplus of over a million dollars and that in spite of the fact that the revenue has decreased by $52,000,000. Of course this statement is only approximate, and it includes the sum of $35,000,000 although the average monthly revenue for the previous eleven months was in the neighbourhood of $29,000,000. If the average for the eleven months is taken instead of the $35,000,000 we shall find that we do not have a surplus even over the ordinary expenditure. But it does seem to me a tragedy that the government of this country cannot take the Canadian people into its confidence and reveal to them honestly the financial situation of Canada in a system of bookkeeping that could be understood. The effort of the government seems to be to show a better state of affairs than actually exists. I was speaking to a banker in regard to the situation and he said to me "Of course, Mr. Lewis, neither the finance minister nor the government can fool us people." But is it not wise to keep the truth as to the actual financial state of the country from the people at large? I believe in the old biblical quotation "The truth shall make you free." The system of

bookkeeping adopted by this parliament, in my opinion, would ruin any business concern, destroy public confidence in any bank, and place every farmer on the rocks if persisted in. How then can we expect the Canadian people to have confidence in our country or in our financial system if the government of the day sets them the example of hiding the real state of affairs by a fictitious system of bookkeeping. Now, in order that my people may see the financial condition of Canada and of the Canadian National Railways let me endeavour to illustrate the facts to them by means of a concrete case. For instance, suppose a farmer bought a farm and the capital investment was $12,000. At the end of the year the revenue of the farm pays the running expenses, but not the upkeep, nor the depreciation, nor the interest on the capital investment. We will say that the deficit amounts to $3,000 and that farmer adopts the practice of this government and adds to the capital investment the sum of $3,000 obtained by loan. The capital investment in the farm has now been increased to $15,000, and the difficulty next year of making the farm pay is increased immensely. The following year the farmer finds that he is still able to pay the running expenses and there is a small profit, but the loss in upkeep and interest is even greater. This year it is $5,000. The invested capital will now be $20,000. How long could that state of things go on? It could not go on ad infinitum. The result would be the farmer would become discouraged and throw up the farm. Is this not really the financial position of Canada to-day and especially of the Canadian National Railways? The capitalized investment, as has already been said, is too high, and many hon. members in this House have suggested time and again that we revalue them; at the present valuation they are not able to make a profit, without adding year by year the loans to the capital investment which we have made to the managers to cover the deficit and interest on capital, and in the long run by this method of bookkeeping, we will not only discourage the management, but we will force the people, which is worse, to lose confidence in public ownership and discredit the railways in the eyes of the people. The time must come when we in Canada, on behalf of the people, shall demand from the government that they shall raise sufficient revenue every year to meet not only the administrative expenses, but also the fixed charges and any loss sustained as a result of public ownership. I have prepared a statement and put it in detailed form close together. I have carefully scanned Hansard and I have not found any place where the figures have been put in close proximity so that the average man could really make a comparison. Therefore I have prepared this statement. I have taken the figures of the Acting Finance Minister, the figures from the report of the Canadian National Railways and of the merchant marine, and I wish to place these on Hansard. The figures are as follows:

Expenditures for the year ending 1925	
Expenditures chargeable to consolidated revenue	$319,700,000
Expenditures capital for public works	6,697,000
Railways and canals	11,380,000
Special expenditures	475,000
Discount of loans, flotations, etc.	3,350,000
Consolidated fund transfers	575,000
Merchant Marine as per balance sheet, deficit	8,836,729
Quebec harbour	600,000
Net income deficit on Canadian National railway as per balance sheet	54,860,419
Total expenses for the year 1925	$406,474,028

Revenue for the year ending 1925	
Customs	$108,200,000
Excise duties	39,000,000
Excise taxes	85,000,000
Income tax	56,550,000
Delayed business profit tax	2,400,000
Interest on investments	9,350,000
Post Office	28,100,000
All other sources	15,200,000
Total	$344,000,000
Net deficit over all expenses for the year 1925	$ 62,474,028

Mr. MARLER: Referring to the Canadian National Railways and the Canadian Government Merchant Marine, I would remind my hon. friend that there is a difference in the figures, because the calendar year and the fiscal year are not the same.

Mr. LEWIS: I understand that. I have taken the net deficits and not the loans—just simply the deficit of the railway. The further figures are as follows:

Debt of Dominion, consolidated 1925	$2,431,487,113
Loans from Dominion government to Canadian Northern Railway	560,397,957
Interest accrued 1925	31,271,043
Total	$3,023,156,113

We have also backed the Canadian National Railways with respect to their bonds sold to the public to the extent of:

Bonds 1925	$913,913,082
Interest 1925	38,361,704
Total	$952,274,786

If we add this to the public debt we have an indebtedness of $3,975,540,899, which means a per capita debt of approximately $441.70. Besides all this the Dominion government have made appropriations in cash to the Canadian National Railways amounting to $451,712,484.98. The total assets on which this company is called upon to earn a profit amount to $2,074,255,348 while the Canadian Pacific Railway including its steamship service has assets of only $1,113,756,696.56, or approximately one-half. How can we really expect the management of the Canadian National Railways to make the railways pay under such disadvantage? Even if we adopted the system of my hon. friend who interrupted me a moment ago, an opponent of public ownership, we could hardly expect the officials of the Canadian Pacific Railway to make the amalgamated lines pay, unless we first reduced the capital indebtedness of our own lines; and if this were necessary, if the lines were amalgamated in order to give the officials of the Canadian Pacific Railway a fair chance, and we had to add the amount of the reduction to our consolidated debt, why not do it now and give the present officials and public ownership a fair chance? It seems to me that before we attempt to incorporate the two lines, we should see if a system of co-operation and strict economy would not be to the best advantage of the people and of the companies. The officials are only human; they are fully aware of the difficulties of the Canadian people and they know we can only stand so much taxation. Why then does this parliament not go on record demanding that the officials of the two railways get together, and not only cut out duplication in passenger lines, but duplication in freight service and in building extensions? Failing this, inform them that the government will legislate in the future to merge the two systems into one Canadian National system.

Now in the face of such a statement I do not think the budget address will bring very much hope to the Canadian people, or inspire them with fresh confidence in the country, or even in the present administration. Instead of reducing our capital debt we go on adding to it year by year, which forces the government to increase our taxation. This taxation is already heavy, and unless we attempt in some measure to decrease it we shall drive people out of the country. It is quite true a large amount of our expenditure is fixed charges, but the reduction of expenses for last year is very small indeed. It was $5,100,000 this year and the previous year $7,480,542. Our expenditures are still well over the $300,000,000 mark which means that every man and woman in Canada will have to pay a federal tax of $33 for ordinary revenue of this Dominion. The Acting Minister of Finance states that the situation is one of which Canadians may be proud, and he goes on to explain in part the reduction of revenue by stating that as a result of decreasing the burden of taxation the government will receive $52,837,000 less from the people of Canada.

This is a very nice way of handing a lemon to the Canadian people: in other words, we tell them that the loss of revenue is due to decreased taxation. I think we shall have a very difficult task if we attempt to prove to our people in the west that they have had any reduction in taxation. It is true partially that the reduction of revenue was due to the reduction of the sales tax and also to the reduction in the customs tariff last year; but it is also due to the fact that in many places in Canada a great many people did not have the purchasing power to buy even the necessities of life. That is nearer the truth than the former.

It was estimated by the Minister of Finance last year that as a result of the reduction in the sales tax the loss of revenue on the same amount of business transacted would be $20,000,000. The loss of revenue however has been $35,000,000 and this shows that the loss in the purchasing of goods by the Canadian people must have been in the neighbourhood of $300,000,000 on a basis of a sales tax of 5 per cent. The loss in customs duties has been some $14,000,000, which is almost twice what the minister expected last year as a result of the reduction in the customs tariff. This also means that the condition of the Canadian people was worse, in the purchasing of such commodities, to the extent of $70,000,000. So that the loss of revenue to the department as a result of the reduction last year was $28,000,000, the rest being due to business and financial depression in the country.

I do not blame the government for this. I readily realize that it is due to the conditions that have come as the aftermath of the Great War, and it is due also to the depression that now exists in Europe and in other countries of the world. I say I do not blame the government for it. But I have been sitting on a certain committee lately, and when we ask individuals to explain the reason for this decline in business they tell us one and all that it was due not to the tariff or tariff

changes but to the financial and business depression that prevails throughout the world at the present time. I am sorry therefore that the government have apparently fallen into the error of believing that this depression is due to the reduction in the tariff. I regret that they have lost faith so soon in their own pledges. I would urge the government to overhaul their platform, which is similar to our own, except for the fact that although they have had an opportunity to put it into force they have not done so. If the Liberal party have really lost faith in the policy to which they pledged themselves, I think the Progressive party had better put their policy to the test; it would at least have this virtue. that the people of Canada when called upon to vote the next time would know where we stood.

I want to suggest to the government most seriously a scheme whereby we may reduce our national debt. I think that if we look the situation fairly and squarely in the face as business men, anxious in our own hearts to put this country on a paying basis, we shall find that this can be done. I said a moment ago that the total consolidated debt of the whole Dominion was in the neighbourhood of approximately $4,000,000,000; and in spite of the remarks of my hon. friend opposite, I believe that the Canadian National Railways have at least some assets. We might place them say at $1,500,000,000. On the other hand, as I pointed out just now, we have a loan to the Canadian National Railways, with interest, of $600,000,000. Let us take this $600,000,000 from the railways and put it into our consolidated debt and that will bring the total consolidated debt up to $3,000,000,000. That means that if we are going to pay our ordinary interest on the consolidated debt and make provision for reducing it at the rate of say $50,000,000 a year, we must raise in revenue through taxation between $425,000,000 and $450,000,000 a year. The first duty I would urge upon any government in power would be to see to it that provision was made not only to pay the interest on the debt and to run the government but to introduce a system that would reduce the debt. If we started some system whereby we could devote $50,000,000 a year towards the reduction of the debt, in sixty years we should get it down to zero. It is a large sum, but it must be reduced. It will take Great Britain sixty years to get rid of her debt, and some of the European countries even longer; and I do not see why a young nation like Canada, with immense natural and great potentialities, should be unduly discouraged. It is a just debt and I feel sure that the people of Canada, if taxation is applied with equity and justice, will be willing to discharge it. To carry out such a system looking to the reduction of our national debt to the zero point in sixty years, under the present administration, with a deficit in connection with the Canadian National Railways and discharged by a population of 9,000,000, it would mean that every man, woman and child would have to pay $50 in federal taxation. But if we were to increase the population to 10,000,000 we should automatically reduce that per capita contribution to $45; while if we increased the population to 15,000,000 in the next ten years—and I see no earthly reason at all why this could not be done under a sane business administration and a sound immigration policy—we should reduce the amount still further to $30 a head. And with the increased immigration, with the increased trade, with the increased commerce the railways themselves would begin to pay; and there is no doubt in my mind that there would be a reduction in the deficit to the extent of $5 a head. If this system were carried out, in ten years we should be on Easy street, and we should have cut taxation in half.

10 p.m.

Mr. GRAHAM: I take it that we are to deduce from all this that the hon. member's idea is that the solution of our trouble depends mostly upon an increase in immigration.

Mr. LEWIS: Not particularly in immigration; it depends upon the raising of our own people too. I think this is an object that is worthy of due consideration. I do not believe that this country can stand much longer any sort of political gerrymandering or angling for patronage or power. With such an ideal as I have suggested we could be on Easy street in a few years. As we have all read in history, Nero fiddled while Rome burned; but that could not be much worse than the spectacle presented here of war scandals being resuscitated and dirty linen washed while the country is fast going into bankruptcy. The moment we put into force such a system we shall make progress. And I have no doubt at all that if the Progressives were returned to power such a system would be carried out; I am sure it would have been put into practice during the past four years, and it would result in elevating the present depressed morale of the Canadian people to a normal, sound, sane, optimism, which is the right-

ful heritage of a northern energetic, virile people On the other hand, to go on as we are at present would simply breed unrest, dissatisfaction, misery and disunion. Indeed it is already here. It is all very well for people to try to close their ears against it. Last year I addressed dozens and dozens of meetings in the west, meetings composed of business men, members of boards of trade and the general public, and at only one meeting was I not asked what the result would be in the west if we had secession. I am not advocating secession, I am simply endeavouring to show what our people are thinking. They are thinking seriously of these problems, and they are wondering whether secession would not be one form of relief. I do not think it would. I stand for unity, but I also stand for a sane, business administration.

Mr. JACOBS: Does the hon. gentleman believe that the Progressives could give us such an administration?

Mr. LEWIS: I think it would be just as sane as the immigration policy advocated by my hon. friend a few days ago.

Mr. JACOBS: I had in mind the success of the Progressives in Ontario; that is why I asked my friend.

Mr. FORKE: That is too small for Montreal.

Mr. LEWIS: I was not going to say anything about immigration, but since my hon. friend has mentioned it, I may tell him that I do not agree with some of the statements he made regarding immigrants from the British Isles. I have been in western Canada twenty-three years, and during that time I have had the privilege of visiting mission fields eighty and ninety miles away from the railways, and there I have come in contact with many British settlers. I want to say that those settlers are just as good as any that come to this country; and when we have had to help any in a charitable way, it was not the British settlers but those of other nationalities. I do not altogether stand for the open door policy, although I should like to see more people come to Canada. I remember my hon. friend said that Jacob and his sons went down to Egypt and they made a success of it; but it is just as well to remember the kind of cattle scheme that Jacob inaugurated; it is also well to remember that they even had to sell one of the brothers to get the almighty dollar; and further it is well to remember that when one of them was in slavery he managed to get a corner on wheat. So for those reasons we need to be careful how we let these people in.

[Mr. Lewis.]

Mr. JACOBS: The Progressives could not teach them anything on that, could they?

Mr. LEWIS: Perhaps not. Now, the question before us is: How are we going to raise the $450,000,000 required to pay our way, in view of the fact that everyone is demanding lower taxation? It is true that there would be a considerable saving on the Canadian National Railways if the amalgamation proposed by some hon. members were to be put into effect. I do not agree with the hon. member for North Waterloo (Mr. Euler), nor do I think many others will agree with him, that we could save $100,000,000 a year by such an amalgamation, but I do believe that a saving of say, $25,000,000 could be effected. That would leave us at least $425,000,000 to raise in order to pay our way. I am not going to criticize the government unduly for extravagance, although I do think that the Minister of Agriculture, mind you, has added just a little too many men to the civil service.

Mr. MOTHERWELL: I suppose the hon. member ought to know best.

Mr. LEWIS: Perhaps. I notice that about every two or three days we receive one of these papers, and recently I noticed that five positions were advertised, four being in the Department of Agriculture. I am not saying that possibly these men are not needed, but I think the minister has been a little extravagant in filling positions in his department during the last four years. I also think that when everybody is demanding economy our cabinet ministers should be satisfied with less expensive cars to run around in, driven by liveried chauffeurs, and so on. This may be all very well in a prosperous country, but when there is such urgent need for economy, let us at least cut out some of these expensive frills.

Mr. MOTHERWELL: Might I inform my hon. friend that ever since I came to Ottawa I have been using a second hand Tory car?

Mr. LEWIS: I am afraid that my hon. friend is an exception to the general rule. Even with the strictest economy we cannot very well get along with the amount I have mentioned. The difficulty of the Acting Minister of Finance is increased by the loss of revenue. However, I am going to suggest a few ways and means whereby I think he could raise $50,000,000 additional revenue, and the taxes necessary for this purpose would have at least this virtue,—that they would fall upon those who are able to pay. Now, there are certain taxes which might be de-

scribed as optional, and I am going to make a comparison between these and other taxes which are inescapable. For instance, if a man finds a binder is necessary to run his farm, he has no option, he must buy that binder and pay the tariff duty assessed against it. But if the government were to place a 10 per cent tax on tickets for admission to professional hockey or professional baseball games, the man who does not want to pay the tax need not buy a ticket; therefore the tax is optional. You will find in Ottawa, Toronto, Montreal, Regina, Saskatoon and other Canadian cities thousands of people who will pay prices ranging from one dollar to two dollars for tickets of admission to professional hockey and professional baseball games. Now, if they are so fond of this kind of professional sport, there is no reason why the government should not take a certain amount of that money; indeed I think they ought to. It is just as logical, just as sane as placing a tax upon woollens, boots and shoes and other things that a man who is raising a family must buy. Then I see no earthly reason why the government do not get after the bachelors. When there is drastic need of revenue, you have to take drastic means of raising it.

An hon. MEMBER: Do you know how many there are?

Mr. LEWIS: There are a great many. I would tax all bachelors over twenty-five years of age.

An hon. MEMBER: What about old maids?

Mr. LEWIS: Never mind the old maids. A man, no matter how patriotic he is in raising a family, is penalized, while the bachelor to a large extent escapes taxation. I think the right hon. Prime Minister is setting a very bad example to the young men of this country. I read a speech delivered by him at a dinner that he attended in the Old Land, in the course of which he spoke of his illustrious grandfather, the "Little Rebel," the man who stands so high in Canadian history. If there is not very soon a change in the right hon. gentleman's condition, he will never have any grandchildren to boast of their illustrious grandfather! Now, to raise a family in this land costs thousands of dollars, and I consider that the husband and wife who are raising a family to-day are our greatest patriots.

Some hon. MEMBERS: Hear, hear.

Mr. LEWIS: And I consider that the men who shirk that responsibility ought to be taxed so that they may be compelled to at least pay their share of the cost of government. I have not figured out what would be a fair rate of taxation, but it should be graduated, beginning at age twenty-five and increasing for every year thereafter that the bachelor shirks his responsibilities. I am going to suggest seriously ways and means of raising the revenue.

One source of revenue that the minister has overlooked is the automobile industry, one of the most flourishing industries in Canada. I do not agree with the hon. member for Macleod (Mr. Coote) that the tariff should be lowered, but it is my opinion that the excise tax should be increased upon Canadian manufactured cars. The hon. member for Macleod, and also the Acting Minister of Finance himself, spoke of the number of cars owned by Canadian people and pointed out that the price paid for these cars was at least 35 to 40 per cent higher than that paid in the United States. The value of the cars sold in Canada last year, the product of Canadian manufacturers, was $63,541,000, which, plus the tariff, would bring the selling price to the consumer up to $100,000,000. The imported cars were valued at $11,000,000 and upward, but these would not be included in this new source of revenue. The tariff on these cars was shown to be about 35 per cent, so that the manufacturer in Canada has protection to the extent of one-third of the price of the cars compared with the manufacturer in the United States. The excise tax is from 5 to 10 per cent—5 per cent on cars up to $1,200, and 10 per cent on cars in excess of that value—still giving a protection to the Canadian manufacturer of from 25 to 30 per cent. The sales tax is the same on both United States and Canadian cars. If the minister would raise the excise tax on Canadian manufactured cars from 5 to 10 per cent and from 10 to 20 per cent, allowing the tariff to remain as it is, the cars would still sell at the same price to the consumer, because if the manufacturer raised his price the cars that were bought would be obtained from the United States. Thus the home manufacturer would still be protected, as also would the workmen—of whom we talk so much but for whom we do so little in this parliament—and there would be paid into the public treasury a sum of from $12,000,000 to $15,000,000.

Mr. PUTNAM: That is on the assumption that just as many cars would be sold?

Mr. LEWIS: Yes, I am not assuming that there is to be a decrease in the number of cars bought.

Mr. PUTNAM: If you raise the price you will decrease the number purchased.

Mr. LEWIS: I am not raising the price at all; I am suggesting that a larger excise tax be imposed. This would still give the Canadian manufacturer the benefit of 20 to 25 per cent protection over all other rivals and I feel sure that no injustice would be done to Canadian industries. The hon. member for Macleod showed quite clearly the other evening that the Canadian manufacturers could stand this extra tax, because they are exporting to all civilized countries in the world, with the possible exception of the United States.

There is another source of revenue that the minister might with a good deal of profit investigate. I have reference to the excise tax on cigars. I mentioned this fact to the minister in my speech on the budget in 1922, when the value of the cigars imported was in the neighbourhood of $14,000,000, and this figure has not since been reduced. I showed at that time that the increase of the excise tax on cigarettes was out of all proportion to the increase on cigars, and that while cigarettes were generally smoked by the working people the expensive cigars were used by those who could well afford to pay. The tax on cigarettes was raised from 75 to 90 per cent, while on cigars it remained as low as 5 per cent. I want that to sink in. This is hardly in accordance with the professions of the Liberal party that they were in favour of the principle of placing the taxes on those who could afford to pay. Later the minister lowered very slightly the excise tax on cigarettes, but the tax on cigars remained the same—65 to 70 per cent lower than on cigarettes. If the duty on cigars was made the same as on cigarettes—and for the life of me I cannot see why there should be any discrimination—it would bring in an additional revenue of over $6,000,000 on the basis of the present consumption. Here is a source of revenue that well could be utilized, without any resort to a nuisance tax such as the tax on cream cheques which is now proposed and which affects every farmer in western Canada; for in the final analysis the consumer and the farmer are always called upon to pay.

Now, I want to say something about the French treaty. As a result of the French treaty, last year we imported into this country nearly $15,000,000 worth of brandies, perfumes, and other luxuries of the kind, these commodities coming in under a preference provided by the treaty. It is a pity that after they come here the government cannot place an excise tax upon them; for certainly they are luxuries, and those who use them, those who can afford to buy such things, can pay a little extra, especially when the nation is in such great need of funds.

Another thing that the minister has overlooked is the luxury tax. I know this is a very delicate subject, but when people satisfy their expensive tastes; when they delight in luxury, it seems to me they should be willing to make some contribution to a much depleted federal treasury. I want to say this for the city of Ottawa: I have been in many cities in Canada and I believe the ladies of Ottawa are the best dressed of those of any other city in the Dominion. But if they can afford to buy such expensive dresses, if they can afford to buy the expensive fur coats that we see galore on our streets, then it is fair that they should pay something into the public exchequer. In other words, we should be willing to pay a luxury tax. I do not wonder that some of our young people do not wish to stay on the farms. I was speaking to a man the other night and he was saying that on the farm we ought to grow everything, ought to card our wool, make dresses, and so on. Yet when you go into the city you see most of the young girls with shoes that cost as much as eleven dollars, but which are not worth two; you see extravagance on every hand—and then you wonder why our young people are not remaining on the farms. I submit that that is a source of revenue that the government should look into. It would bring in millions of dollars, and it is much fairer to tax the people who can buy these luxuries than it is to tax those who can hardly make ends meet.

Another prolific source of revenue that has been overlooked in this country is the radio industry, which has become a very extensive industry indeed. I do not wish to be misunderstood: I am not desirous of raising the prices to the radio fans, because the prices they pay are already too high. But the profits that are made on radio equipment are out of all proportion to those made on other manufactured goods. The bill that was brought in here the other night made the situation quite clear so far as certain tubes used in radio sets were concerned. These tubes have been sold at $6; an hon. member behind me says that they have sold as high as $9. I have bought them at $6; to-day I believe they sell at $4. In the committee, when we were hearing a discussion of these radio matters, a gentleman from the United States who had gone into the question said that it cost just sixty-seven cents to produce these tubes, yet

they have been sold to the Canadian people at as high as $9. Here is a splendid source of revenue. It was also stated in the committee that we have over 400,000 receiving sets, and a great many of these are not paying a license fee. It was estimated that the Canadian public consumed over one million of these tubes, and in the near future, as radio is extended to every part of the country, the number will go far beyond that. Why, then, not place a tax upon these things if they are going to sell them to the Canadian consumer at four, five and six dollars? I think it is quite time the government took their fair share of the profits on these sales in order to help pay our national debt.

Under the same head of luxuries would come, I think, jewellery. There is a great deal of expensive jewellery worn in this country, and you get a glimpse of it when you come to this parliament. There is no reason in the wide world why, if people can afford to buy these things, they cannot afford to pay a part of our national debt. These are the people the government should get after, and let the workingman alone who has to buy leather mitts, overalls, woollens, and boots and shoes for his family. At the present time the average man and woman cannot afford to raise a family, and we have to resort to a policy of immigration to fill up the vacant spaces which under healthy and normal conditions should be filled with our own children.

As to economy, I know that subject is taboo, but it seems to me that our war debt and our war obligations are decreasing year by year, the administrative expenses are only very slightly less. It is a very difficult thing to economize in a country like Canada, where the administration of the government must extend from the 49th parallel to the Arctic sea and from the Atlantic to the Pacific. Nevertheless, our position is such to-day that trenchant economy is absolutely necessary, and if we are going to pay our debts, we must have this economy and raise the money. So far, I say quite seriously and frankly, no real attempt has been made to pay off our national indebtedness. We heard from the Prime Minister before the last election that the late administration, in spite of all the war profits that had been made, had not paid off one cent of the national debt. That may be true or otherwise, according to the manner of analysing the book-keeping, but it is all very well to criticize the old party for what should have been done eight or nine or ten years ago and was not done. I say that we in this parliament, and I am taking my own responsibility in the matter, have been here also for four years, and we have received hundreds of thousands of dollars from Great Britain in regard to our war debt. We have also collected millions and millions of dollars of special war revenue in this country, and so far we have not paid off one cent. Is it not time that we should begin to sweep our own house and accept our own responsibility, and give the people of Canada a lead?

I would urge the government to get down to business and take stock of our natural resources and of the possible sources of revenue that I have indicated, sources that would be less burdensome to the masses, and let the government make a serious attempt not only to balance our ordinary expenditures but to pay the whole yearly expenses of the government. We cannot go on ad infinitum increasing our debt without seriously affecting our standing in the financial world. The people are anxiously awaiting signs of statesmanship in this respect from this parliament, not only from the government but from all sides. They are demanding that the expenses shall be kept within the revenue of the government. They are asking that we at least seriously grapple with the problem, instead of weighing in the balance how many votes will this policy gain or lose. If the government will come out definitely and with faith in their pledges and tell us what they really intend to do, I am willing to give them my serious support and make the very best contribution I can in the matter.

Before these budget speeches are concluded, I would like to hear the Prime Minister make a speech on the budget. I would like to hear him definitely state what he is going to do in regard to the Grain Act this year, which is so important to our western people. I would like him to state definitely what the policy of the government will be in regard to the Crowsnest pass agreement. I would like him to say definitely what he is going to do in regard to rural credits, and in regard to soldier settlement and re-establishment. I would also like him to state definitely what he is going to do in regard to the Hudson Bay railway. If he comes down with a sane, healthy, business programme, I am willing to give him my very best support.

Mr. DAVID SPENCE (Parkdale): Mr. Speaker, I seldom worry the House, and if I worry it for a little while to-night I hope hon. members will be indulgent. I hesitate to take up the time of the House at all, after so many speeches have been made by

so many hon. members on all sides. My own view is that a vote should have been taken on this question two weeks ago, yet we are still going on in this lackadaisical way without the government apparently exercising any control. I see members getting up and seeing how many pages of Hansard they can fill, simply playing to the gallery. The first thing will happen it will be impossible for any man who has any business to attend to to come to this House at all. As I said last year, you should apply economy to yourself. It is irritating to have to sit and listen to the stuff you hear in the House. There are only two classes of people who should be in this House—those who have made their pile and need no more, and those who have no visible means of support, but I do not know that then it would be better than it is.

I must confess that I had a speech ready at one time, but now, Mr. Speaker, it seems to have all gone. One member has stolen a piece, another has stolen a piece, and I must now try and do the best I can with what is left.

I had intended to discuss the railway situation, which is the most difficult problem this country has to contend with to-day, but my good friend for George Etienne Cartier (Mr. Jacobs) expressed my views the other night very well. I must compliment him on the splendid address he gave us on the railway affairs of this country. While I do not agree with him in regard to the compromise he suggested, I feel that if he and I and a few more would get together and make a few compromises, we might solve the railway situation. I do not mean myself particularly, but members of the House, because we are not very far apart after all on this question. Something has got to be done with the railways, but I will not touch on that further, as I do not want to repeat what hon. members have said. I will try and confine my remarks to the administration of this government and to business generally.

We all regret the absence of the right hon. Minister of Finance (Mr. Fielding). I feel that industry and commerce in this country would not have been in the state of chaos it is in to-day had the Minister of Finance been in his own good health, because I think he would have followed a policy of stability. However, the government are to be congratulated in having an Acting Minister of Finance (Mr. Robb) so capable of preparing a budget to suit the government's purpose. It is apparently satisfactory to them all, and may I say that it took some manipulation on the part of the Acting Minister of Finance to show surpluses where deficits exist.

I must confess, Mr. Speaker, that I am not a politician. My life has been a busy one, trying to eke out a living in the business world. May I say that at no time in the last thirty years has it been so difficult to carry on a business as it has been in the last two years, regardless of anything to the contrary that may be said by hon. members opposite. It is to be regretted that such a diversity of opinion should exist among hon. gentlemen on this side and hon. gentlemen opposite in regard to the actual financial situation of the country. Is it not possible that the government in reality see eye to eye with hon. gentlemen on this side and is really aware of the true state of affairs? Let me say that a proper system of accounting should be adopted in preparing the financial statement so as to make it impossible for any political party to deceive the Canadian people by not presenting the finances of the country in the proper light. Any auditor of repute who might be called in by any branch of the government service should prepare a reliable statement which would disclose the truth in regard to the financial situation. The country should not be deceived at any time, but I believe that deception is being practised in regard to this matter. I am not a financial critic. I am not qualified like my hon. friend the member for St. Lawrence-St. George (Mr. Marler) to speak with authority on financial matters. I have done some financing in my time but nothing bearing any resemblance to what is done here. Very often I had to do my financing without any resources behind me; here you have the whole country behind you so you cannot be short of cash.

Why did the government bring down its budget before the end of the present fiscal year? Was it because it did not want to show that a deficit really existed, and what the amount of that deficit was? A statement was issued by the Department of Finance on February 28 for the eleven months up to that time which showed a decrease in revenue of $54,970,000 as compared with the same period of last year. That was a creditable showing, I must say—a decrease in the revenue of this country in that period of time of over $54,000,000. For the month of February alone the decrease amounted to $4,760,000, a total decrease for the year of $60,000,000. Then hon. gentlemen opposite wonder why the country is not prosperous and why business is not good.

This falling off in revenue would not be a real calamity if there was a corresponding reduction in the expenditure, but there actually was an increase in the public outlay for the same eleven months of $1,558,197, so hon. gentlemen can understand that the country is getting no better fast. The government endeavoured to lead the public to believe that the advance to the Canadian National Railways amounted to $56,000,000, but some time later a supplementary estimate came down for $7,500,000, making the total advance to the national system $63,500,000. That is what I call handing it out easy by piecemeal to the public. No wonder the government is ashamed of the financial statement in connection with the National Railways when it has information with respect to it handed out in that way.

The Conservative party to-day is to be congratulated on its tariff policy.

Some hon. MEMBERS: Hear, hear.

Mr. SPENCE: "Hear, hear" is right. Since the Liberals have started to tinker with the tariff they have ruined Canadian industries and caused the depression which exists to-day. The government's action with respect to the tariff has been the cause of the great depression which prevails in this country at the present time.

An hon. MEMBER: Unemployment.

Mr. SPENCE: Naturally that follows from the injury to our industries brought about by the tariff changes. The government has now called a halt which proves conclusively that the Conservative policy was correct. The changes in the tariff which the Liberals made in 1923 when the duty was lowered on textiles killed the textile industry in this country, and drove the textile workers from Canada to develop the industry in other lands. In 1924, the duties were lowered on farm implements.

Mr. ARCHAMBAULT: Is it not a fact that the textile industry has been suffering in every country in the world—

Mr. SPENCE: I do not know about that; I am only discussing conditions in Canada—

Mr. ARCHAMBAULT:—particularly in England and in the United States?

Mr. SPENCE: —and my conclusion is that they are very much worse here than they are in any other country. I hope to be able to prove that after a while. This government also lowered the duty on farm implements, thus depriving the country of much needed revenue. When the government saw it had killed the implement business it tried to prop that industry up again by taking off the sales tax, and removing the duty on raw materials entering Canada. That probably made conditions better for the Massey Harris Company and the International Harvester Company, but the country was deprived of the revenue which it should have got, and we have been making good the loss by personal taxes, or something of that kind. The injury to Canadian industries from the tariff changes resulted in the killing of a number of subsidiary companies; I know of one such company in Owen Sound which did a business of making bolts and nuts for the Massey Harris Company and the International Harvester Company. I know of another concern in Welland that had a contract for $50,000 worth of malleable iron with the International Harvester Company, and immediately the duty was taken off agricultural implements that order was cancelled. The Conservative party are now advocating a revision of the tariff on account of the industrial upheaval which resulted from the Great war. Other countries have become selfish and are taking steps through tariffs to protect themselves. We must follow their example if we wish to hold our own. Every other country has a higher tariff to-day than it had before the war. Yet Canada is trying to reduce its tariff. We cannot sit idly by and ask our Canadian people to live on starvation wages or permit them to leave Canada in order to seek a living in some other land.

We have heard talk from hon. gentlemen opposite about the elimination of combines, but we have not seen any action taken yet in that direction. Hours at a time in this House have been occupied in discussing the Petersen contract. I have some knowledge of the transportation business and I have come to the conclusion that it would be impossible to obtain lower ocean freight rates by the method adopted by the present government. It is merely a sop to the farmers of Canada, particularly to the farmers of the west, to make them believe the government is going to reduce the freight rates on their cattle and their wheat. There is also an attempt to lead the public at large into the belief that the Conservative party are behind a combine and have no consideration for the Canadian farmer. This action on the part of the government is deception pure and simple. Let me say that the Conservative party does not hope to gain any advantage by misleading any element in this country. Our aim is the initiation of sane and sound policies that will be in the interest of Canada and its people. Our policy has always been one of progressiveness.

A year or two ago this government undertook to regulate the question of lake and other freight, and we all know the mess it got into. The only result of the government's action was to drive vessels from the lakes and it cost the farmers of the prairie provinces some $4,000,000. Eventually the government had to coax these vessels back into the trade again. Now the government is talking of controlling rates on the Atlantic but its policy is nothing but a delusion and a snare in the hope of fooling the farmers again. Every hon. member here believes in low freight rates and would support any honest and tangible policy that would bring that result about. This parliament was not asked to vote for control of ocean rates; it was asked to vote a grant of $13,000,000 to the Petersen company without any hope of controlling ocean rates. We have a merchant marine of our own, and if we could at all control ocean freight rates it ought to be through that merchant marine. Why pay a subsidy to another steamship company to get lower rates on cattle? If you have any idea of helping the producer or exporter of cattle, why not pay him five or ten dollars a head, and then you would be sure that those you intended to help would receive the benefit themselves. A statement was made by the Prime Minister that the ocean rates had killed industry. That is absolutely wrong. If rates on the ocean are high, they are still too high on the land. The railways themselves have done a great deal to injure the country and to kill business. They did not give a proper service and they did not give any attention to the country's need, particularly in the express business. I will give the House an instance of what the people of Toronto were up against a few years ago when the men who operated the railways were trying to run them. Between Toronto and Hamilton there is a fine fruit growing country, and thousands of crates of strawberries were shipped from every station along the line. There is a large business in that commodity between Toronto, Hamilton and St. Catharines. The train came down at eleven o'clock each day and picked up from 800 to 1,000 crates of strawberries. Some days when the conductor was in a bad humour, when there would be a large number of crates lying on the platform, on a hot day, he would say, "Go on, let them lie there". Possibly the engineer would be in the same kind of humour and would say the same thing. We appealed to the railways, and they replied that the passengers were always kicking about the service. This course drove the business from the hands of the railways to the motor trucks. Hundreds of trucks of berries would be carried in that way between Toronto, Hamilton and St. Catharines and other places. It is no wonder the business of the railways suffered. However, I do not blame it so much on the people who had the money in the railways as on the people who were running the railways. In any event the rates at the present time cannot be compared with the rates some years ago, particularly before the war. The hon. member for Cariboo (Mr. McBride) gave a splendid illustration of how impossible it would be to have freight rates on the ocean as low as they used to be. He told the House particularly of the cost of the boats to begin with, and of the wages paid to the captain, the steward, and first and second mates, all the way down the line, each one drawing twice or three times as much as he was receiving before the war. That is the reason why it would be impossible to get freight rates down to the pre-war figure. No one would expect the men of the merchant marine to work for such a small pittance as they used to get, while men on the land received 100 to 150 per cent more than they received previously. I think the men of the merchant marine deserve the best of treatment, on account of their conduct during the war. Their loyalty to Great Britain should never be forgotten. I have had great respect for these men ever since the war, and I hope each and every one of us will remember, when we are paying our freight rates, that we should not begrudge the men of the merchant marine a reasonable and fair salary.

To my mind the subsidizing of a fleet of boats similar to the Petersen steamers would never have any effect on the Atlantic. We might just as well set two countries at war, one with a dreadnaught and the other with a row boat. You know which would come out on top. If the United States Shipping Board with 300 vessels in operation and 900 in reserve could not offset a combine on the Atlantic what could ten boats the size of the Petersen fleet be expected to do?

The present government are absolutely opposed to the Canadian Government Merchant Marine. They are prejudiced against it, and they are not getting the best results. When I first heard the merchant marine ridiculed by hon. gentlemen on the government side, I advocated, as I do now, the inauguration of a service with the merchant marine between Canada and Mediterranean ports. I pointed out to them the commodities we could get from those ports, the number of boats which could be kept running and the amount of tonnage. I also advocated putting on the merch-

ant marine between the West Indies, which is a British possession, and Canada and building up a trade between the two countries. But nothing has been done. If we had established a proper and regular service between Mediterranean ports and the West Indies to-day we would be carrying thousands of tons of freight to the Canadian National Railways and keeping the merchant marine going at the same time. But there would be no use in doing that unless we had proper refrigerating service and a heated dock at either St. John or Halifax. There is no necessity for a heated dock at Montreal, because we cannot get up there in the winter-time, but it would be absolutely necessary to build a heated dock at St. John or Halifax, and in that way we would develop our country and develop the British possessions, and good results would be obtained. I understand that it may be the intention to withdraw the Canadian Government Merchant Marine boats from the West Indies. I may say that that would be a terrible disaster for the West Indies, and we would be putting the business in the hands of the United Fruit Company of Boston, which is the greatest known monopoly in the world. The West Indies could never succeed if the business got in the hands of the United Fruit Company. We should develop a large business with the West Indies. We can create a large market for wheat, and we could extend that market to all classes of Canadian manufacture. I understand there is a great demand there for shoes and other commodities which we produce. May I say that the West Indies must have our support, or it will be lost to us entirely. The Americans are keeping their eyes on it very closely, and something might happen in that regard. It is up to the government to make a statement as to a permanent policy regarding steamship service, equipment, refrigeration to Canadian ports and heated docks at St. John or Halifax. We should be able to dispose of a million dollars worth of produce in the West Indies. All the people of Canada are thinking along the lines which I am now proposing. My hon. friend from East York (Mr. Harris) received a letter, I think from a gentleman in North Bay, and it deals with the question of the government giving steamship service to the West Indies. This is an important question and I wish the government would give attention to it. The letter says:

> So that they could obtain remunerative prices, and many thousands of acres will again be brought back to a productive state as a result if refrigeration is provided. Pineapples, bananas, grapefruit, oranges, lemons, and so forth. Cocoanuts and every kind of tropical fruit can be produced.

If all that he suggests can be produced in the West Indies, and we have any interest in that country, let us do all we can to give a proper service between our own ports and the West Indies.

The letter continues:

> I should say that if the government agrees to put on a refrigerator service (and I cannot imagine such madness as that they will refuse to do this), their fruit buying agencies in the colonies must be arranged at once, so as to put an end to the present monopoly.

That is a letter that came from a gentleman in North Bay who I presume is interested in the West Indies. I happened to get it this morning from my hon. friend from East York. From the information that is available, money is now being lost under present rates. The hon. member for North Toronto (Mr. Church) the other night said that the tramp steamers were a very important factor in the reduction of the cost of ocean transportation. He is right; but the difficulty with the tramp steamer is that she travels only when she can get a cargo and therefore does not give the service; and what the people want is regular service. This the tramp steamers cannot provide. There is not nearly so much stuff shipped to England, Germany and other European countries to-day as was sent over before the war. The people in the British Isles, in Germany, France and other European countries have not the money to purchase to the same extent as they did before, and what money they have is depreciated. I remember that before the war everything that was produced in this country in the line of fruits would be shipped to France, Germany and England, particularly apples, evaporated or dried; and even the cores of the apples were baled and shipped to Germany, coming back here in the shape of wine, or brandy or champagne or something of that kind. To-day our producers are suffering because of the lack of demand for the poorer class of apples which we could dispose of under normal conditions in the European countries. As a result, business on the Atlantic has suffered and that is why the rates are a little higher than they should be.

Generally speaking, a low tariff is worthless. The home market is the best for all our producers. My hon. friends to my left do not think so, but I will not deal with that point just now. Our need in this country is an increased home consumption. Our population is being depleted in the industrial centres; our workers are leaving for lack of employment; and even people with incomes large enough to live on comfortably in normal times are being forced to get out, because our taxes are so numerous and heavy. There

can be no question that the home market is decidedly the best for our truck farmers and fruit growers. Take the tract of land for about 100 miles between Toronto and Niagara Falls, and you will find that the people there grow nothing but fruit and garden truck. Now, if unemployment gets any worse and our people continue to leave the country, and if such cities

11 p.m.

as Hamilton and Toronto are drained of their working population, then there will be no hope for the truck farmer and the fruit grower. Their market is entirely in the city at home, because they have no chance of getting into the American market. The Americans produce all their own fruit and vegetables, so that there is no other market for the Canadian truck farmer and fruit grower than the market in this country. This is unquestionably true of Ontario, and it applies also to the good old province of Quebec. There may have been a time when there were large farmers in Quebec, but the farms in that province have been cut up so that every farmer there operates now on a small scale. And as in the case of the Toronto farmer, the truck farmer and fruit grower of the province of Quebec must look to the industrial centres to find an outlet for his product. If therefore our population continues to drift to the United States these farmers will be wiped out. We all know that the United States is a great producing country, and this can readily be understood when we consider that the climatic conditions there are so very much more favourable to truck farming and fruit growing than they are in this or any other country. In Florida, Louisiana, Texas, Tennessee and North and South Carolina they get from two to three crops a year under these ideal conditions while our farmers in this country spend all their time trying to grow one crop.

Now, as a result of the low prices that are obtained for fruit and garden truck in this country the prices of our farms are going down; the value of farm lands is being depreciated. Men who have acquired farms in the last five or six years are finding it difficult to eke out a living in Ontario in those places surrounding Toronto, Hamilton and other cities. I know several of them who are going through this experience. And the same thing is true of the farms adjacent to Montreal. These farmers are finding it exceedingly difficult to meet the interest on the money they agreed to pay for their farms, and they are not getting the protection they deserve. I do not know whether a higher tariff on vegetables coming into this country this spring would bring about the results we should like to attain, but I might give you an illustration of the condition that exists. Even this year this country was filled with new carrots around the month of December, something that never happened before. We got carload after carload of new carrots in bushel baskets from the state of California in the month of December, and as a result of that new supply coming in the farmers around Toronto lost on nearly the whole of their crop. The reason is not far to seek; so long as the public can get the new stuff they will not buy any of the old vegetables. If we had had a tariff commission that knew something about the business conditions of the country they would have advised the government to put on an embargo for a couple of months to enable the Canadian producers to dispose of their output. Millions of dollars' worth of produce from the United States is being sold to-day on the streets of Montreal and Toronto, although the men who buy it do not make a dollar. The man who buys this stuff is in competition with the other fellow and so long as his competitor buys it he feels that he must do likewise. And while the streets of our cities are loaded with the American produce our own garden truck is rotting. The home market to-day is in a deplorable condition. Two months ago new potatoes sold at $12 a barrel, No. 2 American, while Ontario first-class was selling at from 70 to 75 cents a bag. Yet there was a demand for the new potatoes. A barrel of that old stuff would be worth $1.50 while a barrel of the new potatoes would fetch $12. At the present time a barrel of the new potatoes sells for $6 and the old potatoes around $1 a barrel; yet the people demand the new potatoes. And so long as we have people with champagne tastes this will be the case. We need a tariff commission to advise the government as to what should be done in circumstances of this kind.

Some of my hon. friends to my left and some opposite are changing their minds with regard to the tariff. Some of them are advocating a duty on certain commodities produced in their own ridings. I do not want to mention any names, but I have heard gentlemen this year advocating a tariff who denounced protection last year. We are glad they are coming our way, because the policy of the Liberal party has been tried and found wanting and I see no reason why hon. gentlemen to my left and protectionists in front of me should not support the policy of the Conservative party, a policy devised to protect the interests of all.

Let me say that there will be a demand yet for protection on the prairies, as I told my hon. friends a year or two ago. I congratulated them on the development of their industries in Alberta and in Manitoba. As soon as they get away from mining the country, growing nothing but wheat, and go in for mixed farming they will be making the same howl for protection as they have made here for free trade during the last two or three years, and then they will give the Conservative party the credit which is its due.

The business administration of this government has not been altogether up to date. I doubt very much if any government ever gives a real, business administration, but this is about the worst I have yet seen. They have been bargaining and making treaties. and in the treaty arranged with France I do not think our negotiators got the best of the bargain, and I am satisfied that the government are disappointed with the result. What followed the ratification of the treaty? We bought $5,000,000 worth more from France and we sold them $3,000,000 worth less. I cannot see what benefit that was to Canada. The imports included wines, silks, satins, and so on, on which we should have collected a revenue. These are luxuries, and those who can afford to buy them can afford to pay duty on them. After all, that is what is ruining this country to-day—the lack of revenue and too much taxation. We hear that another treaty is in course of negotiation with Australia. Whether it will go through or not we do not know. I am not going to enumerate the articles on which Australia extends to Canada the preferential treatment, but among the commodities on which we offer Australia a preference rate are meats. Now, that is one of the the things that we export, we have an over supply, and so long as that is the case I am not going to support the treaty with Australia. Then there is a preference given on eggs, cheese, butter, onions and other articles. It is my opinion, I do not know whether it is shared by my party, that we have lots of those things in this country. To encourage their importation tends to kill our producers, the tillers of the soil, and they are the men we have to protect. I am just as anxious to protect the man who tills the soil as I am to support the manufacturer—in fact I have lost a certain amount of respect for the manufacturer. Then dried fruits, raisins and currants, are dealt with, and to these I have no objection. But I do object to our giving Australia preferential rates on vegetables. This country is so full of vegetables that we could supply Australia and England combined. All this tends to ruin our men who produce this stuff. So far as I am concerned, I hope there will be no more such treaties negotiated with any country; I think our motto should be "Canada first."

I wish the government would give the country an economical business administration instead of a political administration. I hate to say that they have been endeavouring to humbug the people, but that is really the only way I can express it. They have been manipulating our trade figures to show that there is a national prosperity that really does not exist. The right hon. Prime Minister spent two hours one night trying to tell the House and the country how much better off we are this year than we were last. Any hon. member need only ask himself and his relatives and friends how much more money they have in their pockets now than they had last year to realize the hollowness of such claims. That is what I call humbugging the people—the Prime Minister of this Dominion standing on the floor of this House trying to tell the people they are better off to-day than they were two or three years ago! He could not convince anyone of that. He also boasted that our exports were so much greater than our imports. But we all know why. We have been exporting raw material, such as wheat, copper and pulpwood; that is the reason why our exports are so much in excess of our imports. The principal reduction in our imports was in bituminous coal, steel and other raw material, which proves that our industries were shut down and did not need either coal or raw materials. An argument of that kind is absolutely nonsensical.

Last year I spoke about government by commissions and committees, and I remarked that the House was run like a six-ring circus. You can add another ring to that this year, if you like. This session committees are the fashion as usual. The government are trying to make the country believe that they are absolutely fair in everything they do, and especially when they adopt the recommendations of any of these committees. But every hon. member knows what might be expected from a committee composed of eight members of the Liberal party, four members of the Progressive party—which is worse than the Liberal party—and three lone members of the old Conservative party. You can imagine what kind of a deal we are likely to get out of that sort of committee. The government can say to an anxious public and to

any interested corporations: "That committee has not reported yet. Just wait a little while. They may recommend so and so." The government can promise anything and everything to keep themselves in power, and that is the only policy they have got.

Last year I pointed out that the Minister of Agriculture (Mr. Motherwell)—is he there?

Mr. MOTHERWELL: Oh yes.

Mr. SPENCE: I must congratulate him this year: I see he cut several thousand dollars off the item for publications. Yet there are many publications still being sent to members of the House which I do not think are ever read. I pointed out the waste and the uselessness of having our postmen lugging these publications there and here and dropping them in our homes. My wife said to me, "I wish you would stop that stuff coming into the house." I say it is a waste of money to distribute so many publications all over the country. What are not distributed are baled and sold at the price of scrap, probably half a cent a pound. I think the item for scrap paper sold last year was $24,000 or $25,000. The hon. Minister of Labour (Mr. Murdock) knows all about that, because last year he told me I was wrong. It seems to me that the Civil Service Commission could keep a printing bureau of their own advertising for help needed in the Department of Agriculture. Where the minister puts them all I cannot tell you, whether he hires them there and sends them somewhere else I do not know, but every day the Civil Service Commission is advertising vacancies in his department. And worst of all, we will soon need a new dictionary to understand the nature of the duties which these additions to his staff are expected to undertake, for no one can understand the terms used in the advertisements. Where the money goes we do not know, but it goes just the same. I will give you an idea where some of it goes, and I will show that large amounts of money have been wasted—I will not say deliberately—for the purpose of camouflage or of fooling the public. Some time ago the Minister of Trade and Commerce (Mr. Low) had an advertisement published, entitled "Canada is coming back."

Some hon. MEMBERS: "Coming through."

Mr. SPENCE:—"Canada is coming through"—inserted in several newspapers; and here are the papers that were paid for this bit of camouflage: Manitoba Free Press—I do not know that that is a Conservative paper, anyhow; Gazette Printing Company—well, I do not care, it is a matter of policy; Canada Congress Publishing Company; Globe Printing Company—I do not see the Mail and Empire there; Saturday Night; MacLean's Magazine; Financial Post—an item of $2,893 for publishing an advertisement that was not true, and every hon. member knows it was not true

We spent last year $21,402 for an agricultural investigation, and nothing at all came out of it. An investigation into ocean rates is being held, supposedly arising out of the report of that committee, though I thought it was because of W. T. R. Preston's report. Then we come to our friend Mr. Preston, who received $10,698, salary and expenses, in connection with various activities on behalf of the government. The Great Lakes freight investigation cost $2,291; the secretaryship of the grain commission, $5,310; allowance for house in England, $150, and so on. Now, this is something I do not approve of; I do not think it is necessary. Then, we had another commission known as the pulpwood commission. The hon. member for Fort William and Rainy River (Mr. Manion) asked what was the total cost to the country of the pulpwood commission and the reply came from the Acting Minister of Finance that it was the tidy sum of $75,672.51. The question was also asked, what was the cost of the grain inquiry and what were the estimated outstanding accounts, to which the minister replied that from June 30, 1923 to March 31, 1924, the cost had been $107,612 and from April 1, 1924 to February 5, 1925, $59,994.88, a total of $166,606. Mr. Speaker, if a man had to work hard for this money himself I do not think he would spend it in that way.

Then, in 1924-25, W. T. R. Preston was paid $12,000 and $9,000. My own opinion is that there should be fewer committees and commissions and that the government should take the responsibility and do this work themselves. Let me assure the government that from what I am able to gather the people are going to take a more active interest in the next election than they have taken in elections in the past. Their friends and relations are being forced to leave their native land, many to seek a living in the United States, and these people are now ready to stand behind the good old Conservative party, which is always relied upon to restore confidence and to bring things back to normal conditions.

Somebody on the government side of the House said the other day that two hundred new industries had been started in northern Ontario. Well, if that is so, it is a case of two hundred men individually starting out in industry themselves in order to provide little

jobs which they were unable to get in any other way.

A great deal has been said with regard to the desirability of our manufacturing our pulpwood rather than shipping it out in the form of raw material. The Ontario government are to be congratulated on what they have done in this respect; they prohibited the exportation of pulpwood from crown reserves, with the result that employment has been given to many hundreds of people. Why should we in Ontario or in the Dominion of Canada send out our pulpwood and our men to develop an industry in Tonawanda, near Buffalo? To-day that place is booming as a result of those activities. It is clear that a great deal of this material should be manufactured into the finished product in Canada before it is exported. We cut 4,350,000 cords of pulpwood last year and nearly all of that went out in the form of raw material.

It is well known that we have valuable resources of copper in this country, but nearly all the copper we produced went to the United States, and the result is that the English and German business is going to that country instead of coming to Canada. Canada sold only 7 per cent of this product to these countries. That is an unfortunate state of affairs. Of iron ore we imported $128,000,000 worth. If our iron ore industry was developed as it should be, there would be no necessity of our buying a dollar's worth of this material in the United States. Reports of the best geologists in this country tell us that there is any amount of iron ore in the Hudson bay region which will test at 55 to 60; and I understand there is a movement on foot on the part of the Ontario government to have it brought down to Moose Factory for transport over the Temiskaming and Northern Ontario railway in the near future. I hope that will be done.

I noticed by the budget that the duty was taken off West Indian grape fruit—that is, grape fruit from Jamaica. I approve of that but there is no use taking the duty off grape fruit unless a proper steamship service and refrigerator accommodation are provided to take care of the imported products when brought to the ports of Halifax and St. John. I was talking to an importer of grape fruit the other day in Toronto, whose brother is now in Jamaica. He said he appreciated the removal of the duty from grape fruit, but the trouble was that the Canadian ports were not provided with the facilities for handling this product. My opinion is that there is too much duty at present on the Florida grape fruit. The Union government put a duty of a cent a pound on grape fruit from Florida. I advocate a specific duty. I do not like the ad valorem duty, because there is always some difference between the buyer and the customs officials as to how many pounds a box of grape fruit contains. There is always a tendency on the part of the buyer to try to show the Customs department how little the box contains, while the Customs department try to show how much it weighs. The best system is to put on a specific duty of so much per box. The specific duty does not penalize the man who ships a good, thin-skinned, juicy grape fruit as against the man who ships a thick-skinned, pithy grape fruit with very little juice in it. The man who ships the inferior stuff pays 65 cents a box, while the man who ships the first class fruit is required to pay 75 cents a box. I would therefore advise the government to reduce the duty on grape fruit from Florida to at least not more than fifty cents per box, making it a specific rather than an ad valorem duty.

We have another grievance. Last year we had an over supply of onions in Canada. In the district of Leamington and Windsor we had more onions produced last year than this country could consume. There is a duty of 30 per cent on onions coming into Canada and a dollar a bag, or a cent a pound, on onions going into the United States. Had our duty been the same as that of the United States, we would have cleaned all the onions out of this country, with no loss to the producer of onions. So instead of having a 30 per cent duty on onions coming into Canada, let us have a duty of one cent a pound, the same as the United States, and give our own people a chance in this country.

We have strawberries coming in here with a duty of two cents a pound. That is another problem that it is difficult to contend with, for our customs officials have to weigh several boxes in a carload of strawberries. I would advise the government to make the duty so much per box, instead of so much per pound, because there is always trouble over how many ounces each box weighs. Instead of a duty of two cents a pound, which makes three cents a box, I would make the duty on American strawberries five cents a quart box, and two or three cents a pint.

I have always opposed special taxation, the sales tax, the stamp tax, and all that sort of thing. What I would suggest as an alternative is this. To-day the price of oranges, bananas and pineapples has gone up so high that a duty of 25 cents per box would make little difference; it would add nothing to the resale price. Bananas are coming in here

plentifully at the very time of the year when our own Canadian strawberries, cherries and peaches are coming in, and they are the biggest menace that our growers have from any foreign market. Bananas are in the hands of the greatest monopoly in the world. I remember many years ago when bananas would not be worth three or three and a half cents a pound. To-day you cannot buy them by the carload for less than 7½ cents a pound, and many times they have to keep them and let them rot there rather than sell cheap. That is the result of a lack of the steamboat service that we should be giving these countries.

My opinion is that the simplest and easiest and cheapest way of getting the money to run our country is by the tariff as far as possible. It is not so irritating; people do not know they are paying it. They get their medicine regularly in small doses. The customs officials are always on the job, and there is no reason why they should not be kept busy. To-day this government is establishing tax collection offices at different places and employing extra help, which always eats up a great percentage of the money collected. You could eliminate entirely the tax offices if you collected all the money you require by means of duties.

I am in favour of doing anything that will help the prairie provinces or the Maritime provinces, and if Nova Scotia is as badly off as hon. members say I have no objection to the individual fisherman getting the duty lowered on equipment for their boats. I am in favour of the duty on slack coal, but I am also in favour of protecting the man who finds that duty adds largely to the overhead of his business. I will give you an instance. I know of a nursery business whose overhead has been increased by $7,000 or $8,000 by that extra duty of 34 cents on soft coal. Now something should be done to help an industry that that duty hurts. I refer to the Dale's Nursery at Brampton, one of the biggest nurseries in Canada. To-day we have only a 17 per cent duty on cut flowers coming into Canada, while the United States have a duty of 45 to 46 per cent on cut flowers from Canada going in there. What should be done is to help this nursery or any similar organization by increasing the duty on the goods it raises coming into this country when it is affected by this duty on coal to the amount of $7,500 or $8,000 additional overhead.

Mr. McMASTER: And the consumer will pay that duty.

[Mr. Spence.]

Mr. SPENCE: Why will the consumer pay it?

Mr. McMASTER: Who is going to pay it if not the consumer?

Mr. SPENCE: Why will any Liberal member advocate destroying an industry by adding $8,000 to its overhead? It cannot stand it.

Mr. McMASTER: I am not proposing that.

Mr. SPENCE: What is the difference when you allow cut flowers, high-class roses, to come into Canada under a 17 per cent duty, when our cut flowers have to pay 45 and 46 per cent going to New York and Philadelphia and other places in the United States. People who can afford to buy American roses in this country at from $2 to $8 per dozen can afford to pay the extra duty, and help the industry you are killing.

Mr. STEVENS: What is the difference between coal and roses so far as paying the duty is concrened?

Mr. McMASTER: The principle is bad in both cases.

Mr. STEVENS: My hon. friend is going to vote for the principle in the one case, but he would not in the other.

Mr. SPENCE: We have too many methods of taxation and they are too rigid. I am absolutely opposed to the sales tax. The income tax I have no grievance with because anyone who makes sufficient income should pay an income tax. I am sorry to say that the income tax I will have to pay this year will be very low as compared with some years ago. I will be very glad to pay income tax. However, the income tax is not administered just as it should be. Let me give you an instance of how the department treated a perfect gentleman, a man I know very well, who made a mistake. He was executor of a certain will in Toronto, and he was three days late in making his return to the Income Tax department. He was fined $50, although he had paid the tax within the time limit. That was about the time the Hon. Mr. Fielding took sick, and I tried to intercede for this gentleman. That is what makes men like that, men of the highest type, get sore on governments because the system is applied so rigorously. I know another case in our own business. In this case the party was using horses and wagons for livery purposes. They were changing from horses to motor delivery, and in the statement they made to the Income Tax department they put down $600 for old wagons and one horse and some harness and

things like that. The next year all the party got for their horses and the whole outfit was not $600, but $150. Do you suppose the tax department allowed them anything for that? They said: No, we will allow you 25 per cent depreciation. The man showed them the actual receipts of the sale, but the officials insisted on his coming back and paying income tax on $337.50 that they had no right to get whatever. A system that is unfair in that way is a bad one, and makes bad friends for any government.

The stamp tax I think is absolutely against the ordinary man. The man who issues cheques from $2 up to $200 is penalized, while the man who issues cheques for $50,000 is always protected. We have so many classes of taxation to-day, federal, provincial and municipal, that they are becoming very burdensome. It is very difficult for the ordinary business man to understand these taxation laws; they are not sufficiently simple in form. I know an instance where several parties who were going out collecting money decided that it would be proper to put a two cent stamp on every receipt over $10. These people were going out and collecting say $10 and putting a stamp on each $10 paid on account. Others were not putting on any stamp at all; they thought it was not necessary unless the whole amount was paid to affix a stamp to the receipt. I saw an account which came back to one of the hon. members of this House some time ago and it was marked "Received your cheque. No need to send a receipt." So you see these laws cannot be enforced. From what I know of the mercantile world the government must be collecting much less income tax every year. There are so many old established firms being driven out of business that it could not be otherwise. The hon. member for East York suggested the other day that we had too many representatives in parliament. I concur in what he said in that regard.

Some hon. MEMBERS: Hear, hear.

Mr. SPENCE: "Hear, hear" is right. The unit of representation should be increased. We have too much government for our population. I believe in representative government, but we have enough representatives in this House for a population 20,000,000 greater. I want to say there is too much time wasted in discussing radical proposals and economic conditions, and it costs the country too much money. We have township, county and city councils in addition to our federal and provincial legislatures. We are governed to death and in making this statement I am not giving you my own views; I am repeating the views of the man on the street. The people are sick and tired of too much government; what we should have is a less number of representatives in this House.

Now as to immigration, I agree practically with what one hon. member said the other day. We spent millions on immigration and have induced 350,000 immigrants to come to Canada, but we lost 450,000 of our own Canadian people in the same time. It seems to me, Mr. Speaker, that we are importing muscle and exporting brains to develop the industries of the United States. I would spend very little on immigration. I would allow every healthy individual from the British Isles or northern Europe, and a quota from other countries, to come to Canada, and they should all become Canadians or else stay out. We do not want any race of people that we cannot readily assimilate and make good Canadians of. We have immigration agents here and immigration agents there, but the class of immigrants we have been getting for the last few years are a detriment to any country. There never was a time when we had as good an opportunity to increase the population of Canada by the inclusion of good English, Irish and Scotch immigrants as during the present year. There were a number of people coming out from the British Isles and naturally they all wanted to get to the United States because they had heard so much of the great prosperity of that country. When they were refused admission to the United States by reason of the quota having been exceeded they stopped in some of the larger cities of Canada; and had there been a possibility of getting employment in Canada my opinion is the population of this country would have been increased by several hundred young immigrants from the British Isles. A number of them hailing from that part of the Old Country where I was raised, came to me to know if I could assist them. Many of those immigrants made their way illegally to the United States; I believe quite as many entered the United States illegally as were legally admitted.

I may say that I advocated the appointment of a tariff commission in the sessions of 1922 or 1923, and I am still of the same opinion. I suggested that there should be a tariff commission to advise the government. but I would not want the government to accept the views of such a commission if at all illogical. Neither would I have the government appoint a body of this kind merely as a figurehead or an ornament. Competent men are needed in an advisory capacity of

this kind. My reason for first advocating the appointment of this commission was this: When the present government was elected it was supposed to be a low tariff party and I was afraid it might carry out the platform of the Liberal convention of 1919. Accordingly I wanted to head the government off but it did not keep its promises.

Mr. McMASTER: You thought a tariff commission might have that effect?

Mr. SPENCE: It would have the effect of not allowing you to ruin the country. The tariff commission should be composed of men of outstanding ability, men of the highest integrity; they should be men who had been trained in the commercial world, in the fields of industry and commerce, on the farm or in the factory. I would make one suggestion, however, to the hon. members of the government who are listening to me, and that is that Mr. W. T. R. Preston should not be the chairman of the proposed tariff commission. That would be a political commission and these henchmen would always be on the job.

I listened with a great deal of interest the other day to what the hon. member for Prince, (Mr. MacLean) said about discrimination in freight rates in this country. He said that a certain Mr. Armstrong had quoted certain rates, and when I heard the statements of the hon. gentleman I thought I would endeavour to find out whether they were true. He informed the House that the rate on potatoes from Kentville to Sydney, 312 miles, was 53 cents while the rate from Toronto to Winnipeg, 1,232 was 55 cents. Now I happen to know something about rates. The Saturday following when I went home I observed a bill in my own warehouse showing the prepaid freight on a car of carrots to Winnipeg, and the rate was 80½ cents. This year on account of the scarce crop in the west and the big volume in Ontario the Canadian National Railways made a sacrifice and cut the rate to 66 cents on a 4,500 car. What I wish to say is that hon. members should not make statements of such a character unless they know them to be true, otherwise they are simply creating trouble.

The hon. member in question also talked about the Minister of Trade and Commerce developing a market for Canadian potatoes in the Old Country. Let me say, Mr. Speaker, that when a commodity is scarce you can always find a market for it without going to the Minister of Trade and Commerce. A few years ago when this country had a dearth of potatoes the men in the business did not have to go to the Minister of Trade and Commerce to find out where they could get a supply. They discovered there were lots of potatoes in Ireland, England and Scotland, and they brought potatoes here from those countries. I do not therefore see any particular reason why the Minister of Trade and Commerce should be given credit for developing a market in the Old Country. If the minister had succeeded in getting Britain to remove the embargo from potatoes he would have done something for which he could have claimed credit. The hon. member to whom I have referred said the Maritime provinces had no market for their products in Ontario; they had to go to the United States in order to sell their fish and potatoes. Now I may say that we get 7,000,000 pounds of fish from Nova Scotia in the vicinity of Toronto alone, and that city is filled with seed potatoes from Prince Edward Island. It is not fair either to say that there is no market in Ontario for apples from British Columbia or Nova Scotia. Let me say that I have seen thousands of barrels of Nova Scotia apples in the city of Toronto alone. If Nova Scotia would become up-to-date, and if they would use a decent looking barrel or get a good box and pack them nicely, I would guarantee that Toronto would take 100,000 boxes a year. It is their own fault they are not getting the trade. The difficulty has been dishonest packing and old-fashioned, antiquated ideas. They are using nails four inches long instead of inch and a quarter. You would think the boxes came out of Noah's ark.

The hon. member for Kings, P.E.I. (Mr. Hughes) was howling about everything. He was opposed to the duty on coal. He did not like to see one of his sister provinces getting something to help her along. I must congratulate my hon. friends to my left this year. I never heard so little howling in my life. Last year it was a continual howl, but this year it is different. I think they have been told to be good boys and keep quiet or we will go to the country. They are breaking up internally, and I am going to leave them to their fate. Individually there is not a better class of boys than the hon. members sitting to my left, but collectively their policy is absolutely ruinous to every part of Canada except their own district. I am informed on good authority that when hon. members talk in this House about secession, they are not expressing the views of the western people, and I am convinced that there is nothing whatever in this talk about the feeling in the west with regard

to secession. I want to part good friends with hon. gentlemen to my left and if we should have an election this year I am satisfied the present representation from the west will not be here again. I may travel out west this coming winter, and I hope to meet them and be friendly with them. I know for a positive fact that, although other Progressives may come here, very few of my hon. friends will be here and I desire to part with them the very best of friends. There is a feeling that there is going to be an election, and I am hoping it will be very soon.

Hon. members have been talking about there being more unemployment in the United States in proportion to population than in Canada. I think the hon. member for Chambly and Vercheres (Mr. Archambault) said that the Associated Press made the statement that in New York alone there were over 300,000 unemployed. He also said that in the New England textiles there was misery and unemployment and stated that it was a better year for the Massey Harris and International Harvester companies. I do not care what the statistics, the hon. member or the Associated Press state I say it was not a better year for the Massey Harris people. They are located within two thousand yards of my riding, and I can remember the time when they employed from four thousand to four thousand five hundred men, with the exception of a short time in the fall of the year, and to-day there are not a thousand people in their employ, and at the present time I know some of the stock holders have very little to live on and there is no dividend. Why any hon. gentleman rises in this House and says they are doing better this year than previously, I cannot understand. I would not believe it. Then there is the Abel Company right in my riding. This company used to employ 1,500 men. They are now the Rumley people of Chicago, and there are only four or five men distributing goods obtained from their plant in Chicago, and Canada is holding the bag in the distribution.

Then another statement my hon. friend made was that a change had taken place in regard to certain lines of boots and shoes. I was talking to a friend the other day who knew the facts, and I regret to say that his report is that the Ames Holden people are going to shut down their factory in Montreal. I have a report from one of our commissioners in New York which proves the statements I have made to be correct and that the statements made by the hon. gentleman and by the Associated Press are incorrect. This report is by Commissioner Frederick Hudd and reads:

> Industry continues at a comparatively satisfactory level of activity and the maintenance of production and distribution point to a favourable business outlook. There is no decrease in production in the basic industries. Pig iron production in February was the highest on record for any February and there was an increase in steel ingot production. In the automobile industry, production has expanded and it is estimated that 277,600 cars were produced in February as compared with 240,912 in January, while at the beginning of March the industry was more active than in February.
>
> The Guaranty Survey appraises the present business situation in the following terms:—
>
> The continuance of a large physical volume of trade is evidenced by the seasonal record in freight car loading during the first ten weeks of the year. The average daily number of loadings last month was greater than in the preceding month or in February a year ago. Moreover, current reports of retail dealers indicate an active movement of goods into consumers hands. The business of mail order houses and ten-cent chain stores was about 11 per cent larger.
>
> Factory employment in the state of New-York has increased. This is especially the case in the textile industry. There has been increased employment in the iron and steel and textile industries.

Then here is the money and the exchange situation:

> The Money Situation
>
> The discount rate of the Federal Reserve Bank of New York rose from 3 per cent to 3½ per cent at the end of February. Payments through banks for the first quarter are above the corresponding figures for last year. Exchange of cheques at the principal clearing houses of the United States in March rose to a total of $41,946,379,288—an increase of 12 per cent over February and of 14.4 per cent over March, 1924. This total exceeded that of any other March on record and March, 1920, by $608,119,597. Clearings in New York city aggregated $23,349,010,749, which was 10.9 per cent over February and 18.8 per cent larger than March, 1924. The exchange of cheques outside New York city totalled $18,597,368,539, an advance of 13.4 per cent over February and of 9.4 per cent over March, 1924.
>
> The Exchange Situation
>
> Our decrease in clearing house returns in eastern Canada was $553,000,000—1924.

I got this out of Commercial Intelligence issued by the Department of Trade and Commerce April 18, 1925.

The policy of protection to my mind multiplies employment. It will attract capital which will be adding to industry and constantly improving conditions in the factory, accumulating assets.

To-day everybody is discouraged; there is no stability and every investor feels himself to be under suspended sentence. There is too much money in victory bonds. I went into this subject last year, and advised borrowing cheaper money in New York. We have barrels of money in Canada now to put into industry, but no one will take a chance and never will as long as the present government

are in power unless they swallow our policy. I say to hon. members of the government: throw up your hands and give Canada a chance; go to the country and ask the endorsation of the people.

The hon. member for Victoria (Mr. Thurston) made a statement in this House on the 20th April, that in twenty-five years there would be no Conservative party. Let me say to the hon. member that in five years there will be nothing left but the Conservative party, and the hon. member himself will be out of it in less than five months, with some good Tory representing his riding. I always back up my statements if anyone challenges them.

It seems to me that the government are really forcing the people to consider annexation, and we all know that people will do anything rather than starve. This government's policy is one of wait and see, and they will do anything at all to keep in power. And they got into power through misrepresentation; there is absolutely no doubt about that. They tried to put the blame on the Conservative party for everything that happened in the war, and they pitted the minds of the good people of the province of Quebec against my hon. leader (Mr. Meighen) and the Conservative party. But their luck will change, the chickens will come home to roost. The government's time is nearly at an end, and their doom is certain the moment they appeal to the country. My hon. leader has been accused of making pessimistic speeches. Well, we are all more or less pessimistic, according to the meaning we attach to that word, when we see things as they are and point them out with a view to remedying them. So far as any charge of pessimism is concerned, my leader is altogether misrepresented. I wonder whether hon. gentlemen know just what the word pessimism really means. Do you think that it is right that the country should not know the true state of affairs? Why should the people be deceived? So far as I can see, there is no reason whatever why there should not be a proper statement of the financial condition of the country submitted to the people at large so that they might know just how we stand. Suppose you were at sea on a great ocean liner and a storm arose; what would you expect the captain to do if he had the interests of his passengers at heart? Would it not be the part of wisdom for him to nail down the hatches and so save both passengers and ship? Would it be pessimistic for him to see danger ahead and try to avert it? Let me tell the members of the government that we are trying to save the ship of state. That ship is listed southward and unless some remedy is applied immediately it will list to a dangerously greater extent before long.

I want to read from a letter I have received from the French Ivory Products Limited, a manufacturing concern in my constituency. Hon. members will see what the state of things really is when they hear this.

Toronto, April 1st, 1925.

Dear Sir,—

Our business consists of the manufacture of toiletware such as mirrors, brushes, hair receivers, puff boxes, jewel boxes, combs, etc., from French ivory (celluloid). This industry has been developed during the last ten years from a very small beginning until to-day it is quite a considerable business and able to cope with legitimate import competition, such as English, where rates of wages, while lower than Canadian, are nearer our standards than are the wage rates of other countries such as Germany and Japan.

Realizing that the bulk of our lines sell most freely in the fall, when merchants stock up for the holiday trade, thus necessitating much short time in our factory during the early part of the year, we set about developing our comb lines which are an all year round seller, and this finally grew into a very large proportion of our business. (One of these lines we were able to supply the government in large quantities during the War). This development has enabled us to keep our workmen more steadily employed throughout the year.

Recently this comb business, which we have built up primarily to keep our wheels turning, and our men employed during the early part of the year, has been imperilled by German competition. We have had to reduce our staff and cut our working hours, with a result that our wage bill has been cut practically in half. During the last year some of our employees have gone to the States owing to the fact that we could not keep them employed.

The prices at which German and Japanese combs can be sold in Canada are below our production cost and yet we have every reason to believe that the ridiculously low prices at which these combs are being bought in Germany gives the agents and jobbers and dealers profit before the public get any benefit of it.

We know the prices at which these combs can be bought in Germany and the large profit that is possible on them, as we were offered an agency. We turned this down as we preferred to manufacture rather than throw our workmen out of employment and try to sell German manufactured goods. We find, however, that the Germans secured other Canadian agents.

Since the war the government have enacted several commendable pieces of legislation in an endeavour to guard against this unfair and undesirable competition, but at present none of these are in force and Germany is now a real menace to our industry.

Only last week our Toronto traveller called on several of the largest jobbers in our line and found them all solidly sold on the German line on account of the prices.

As an illustration we will take a pocket comb with case. This costs in Germany $4.50 per gross. Our nearest comb uses $4.28 worth of material alone which is only charged in at scrap value as the comb is made from small pieces. To the $4.28 must be added our labor, factory expense and commercial overhead.

A similar English comb sells wholesale in England at a little over $18 per gross.

As this is only one illustration which might be multiplied, it is not difficult to see what will happen to the Canadian comb business if some steps are not taken

at once to protect the Canadian workmen against unfair German working conditions.

We would respectfully urge upon you the importance and necessity of immediate amending legislation which will provide greater protection based on Canadian values and Canadian wages and would appreciate your support of any legislation along these lines.

I have another letter along the same lines but I will not read it. But it all goes to show how the country is suffering from this cheap foreign labour in countries where they work ten to fifteen hours a day in competition with our workmen.

The hon. member for Chambly and Vercheres the other evening endeavoured to stir up a little strife—it may have been unintentional—on the expenditures incurred in connection with the war. Now if any wrong was done, and I do not admit that there was, the Liberal party were equally guilty; whatever was done at that time was done under the administration of the Union government. The hon. member quoted the cost of sending unnecessary men to France. But who knows whether we sent unnecessary men or not? It is possible that the men were not all fit for the firing line, but there were many other uses to which men who were not sufficiently sound for the trenches could be put in the rear in connection with transportation and so on. He also condemned the government of that day for having wasted $247,000,000 on the Ross rifles and other equipment. That is a ridiculous statement, for the hon. member knows that the Ross rifles were in use before the Union government got into power. Then he referred to the waste of $80,000,000 on the Canadian merchant marine, all of which he attributed to the Conservative party; and he talked about $10,000,000 expended on useless Canadian Northern Railway stock. The hon. member knows that the Canadian Northern had to be taken over, so that his remarks in that direction are not pertinent. Then he spoke about the loss of revenue in tax free bonds. But if he knows anything he knows that our bond market was in very poor shape at that time; England was in the war and America was not sympathetic, and we had to give some encouragement to the people here to buy the bonds. That is why these bonds were sold at 5½ per cent. The hon. member puts down the loss at $110,000,000. Now, we had to give some encouragement in order to sell those bonds at all, because as I have said, we had no bond market and were in a difficult position. Statements of that kind should not be made on the floor of the House; they simply promote strife between the good people of Ontario and the good people of Quebec. There is no necessity for such discussion; the war is over, and we may as well have peace; there is no use for us to be continually fighting. Those of us who are comparatively new members have been more or less disgusted with the way in which certain hon. members quarrel across the floor. We are here to legislate for the present and the future, and we should care very little for the past. Sometimes I get weary listening to hon. members resurrecting things that happened years ago. If it comes to extravagance, no government has sinned more than the present, unless it was the Drury government in Ontario, whose members spent money like drunken sailors. You all know what Ontario did to them. So people in glass houses should not throw stones. A few evenings ago the hon. member for Cape Breton South and Richmond (Mr. Kyte) delved into ancient history, to thirty-two years ago, respecting a commissioner whom we sent to the World's Fair in Chicago, for the purpose, I presume, of entertaining distinguished guests, and the hon. member gave us details of hotel bills and so on, in an attempt to justify the expenditure last year on the trip of himself and two other gentlemen to the Wembley exhibition. I am not criticizing that expenditure, the sum spent by the boys at Wembley was not very large; but maybe there was no necessity for sending them to London at the country's expense. However, the criticism of that expenditure by certain hon. members in no way justified the hon. member for Cape Breton South and Richmond referring to a member long since dead, and I do not think he added any dignity to our proceedings by his counter attack. Matters of this kind should not be brought up in the House for they always create more or less trouble.

12 m.

The government are continually blowing about how Canada is coming through, and they are spending barrels of money advertising how it may be done. I want to tell them how to bring Canada through without spending so much money—just give the people a chance at an early general election, and they will provide the remedy. I believe this government is a menace to Canada, I believe they are actually willing to trade off any part of it for any emolument. They are sacrificing the industries of this country in pandering to the few Progressives to my left in order to continue themselves in power. That is simply their whole consideration. I hope that in the very near future, if they do not soon make up their minds to go to the country and secure the verdict of the people on their administration of the past four years, they will at least

try to give the country a business administration between now and the next general election.

Mr. PRESTON ELLIOTT (Dundas): Mr. Speaker, I must congratulate the hon. member for Parkdale (Mr. Spence) on his very short speech—extending over two hours. If there is one man in the House who has criticized members in this corner for long speeches I think it is the hon. member. I do not intend to detain the House at any great length at this late hour, but I desire to touch very briefly on some of the things mentioned by the hon. gentleman. In speaking of the home market he emphasized the fact that the truck gardeners near our cities must depend entirely on that home market. Then why should he need protection? Who is to oppose him in that home market? There cannot be any opposition if he is depending entirely on that market. Who is sending in anything to compete with him? If that applies to the Canadian truck farmer, it will also apply to the American.

We were very sorry to hear the hon. gentleman bid us good-bye. We expected that Tory Toronto would still remain true to the hon. member, and that he would be back again next session, but we regret to hear that he does not expect to be a member of the next House of Commons.

Now, Mr. Speaker, I dislike to prolong this debate, but I do not wish to give a silent vote on this budget or on the amendment. I do not intend to support the latter, for the following reason. I was elected on a platform entirely opposed to the proposition contained in the amendment. As I understand the speech of the hon. ex-Minister of Finance (Sir Henry Drayton), I cannot see how any man in this country to-day could support his amendment. He takes into consideration our imports to-day and places them at $892,000,000, and of this total he would bar out $700,000,000, as representing goods which could be manufactured in Canada. Apparently he would bar out everything with the exception of a few raw products, such as silk, wool, coal, crude rubber and so forth. The net result would be that our only imports from Great Britain would be coal. This means that the Conservative party intend to cut off entirely any trade with Great Britain, with the exception of coal, and yet expect her to furnish a market for our own products. Britain is not in a position to pay in gold for what she buys from us to-day, although the Baldwin government have just declared that the country will return to a gold basis at once. Therefore she must exchange her goods in payment for what she buys from us. Now, if Canada will not exchange goods with Britain, Britain will look somewhere else for a market. There is this further objection to the purpose of the amendment. If we are shipping goods to Britain, and are taking nothing back in return, we must bear an overhead expense greater than if we were bringing back return cargoes. No doubt this is the considered policy on which the official opposition intends to appeal to the country. I would go a little further. We have been fed on protection for fifty years, and Canada is in her present position in spite of —I think I am within bounds in using that phrase—in spite of our tariff policy, or the old National Policy. Our friends to the right speak as though they considered nothing of any importance in this country to-day but the industrial structure—the development of factories and financial institutions. They do not take into consideration the fact that the producers of this country are of some importance. The production of the necessaries of life is an essential function, but the necessaries of life are not all manufactured goods. The real measure of the prosperity of a country is the amount of happiness and prosperity that is found in the average home. In this country to-day that prosperity is not prevalent throughout the rural districts, and for that reason I am going to oppose the amendment proposed by the ex-Minister of Finance (Sir Henry Drayton). As I said before, I was elected on a free trade platform, and I am going to read one or two planks from the platform on which the present government was elected:

> That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries), as well as on the raw material entering into the manufacture of the same.
>
> That the British preference be increased to 50 per cent of the general tariff.

Part of their resolution has been carried out. Concessions were made last year so far as agricultural implements were concerned which resulted in a saving to the farmer, as one hon. member has put it, of 83 cents on a 150 acre farm. Now, we acknowledge that we have received some benefit from that, but I do not believe we should come here and advocate something for ourselves alone; we are in favour of giving the poorer or the labouring people of this country some benefits. The tariff platform as laid down and adopted by the Liberal Convention of 1919 called for what I have just read. But I would like to go a little further and make reference to the fact that the platform received its blessing

from the present Minister of Agriculture (Mr Motherwell). Let me read some statements taken from his speech on that occasion:

Whatever conclusions are arrived at here in regard to the platform, the leadership, or anything else, when we go forth to our respective homes we must stand by these conclusions to the last ditch. There is no use of coming here, harmonizing our differences and then going away and everybody having a platform and a leader of his own. Do the best you can to impress your views upon the great body of this convention and, having done that, stand by the net result.

Further he states:

There is another thing I would suggest and that is that no platform, no matter how good it is, will carry itself into effect.

And further:

It is necessary that we should have full confidence in our own platform and leader if we are to instill similar confidence in other people. We must if necessary sound forth a clarion note, even from the housetops, and then people will stop and listen because they will see, that we, ourselves are in earnest.

Mr. LADNER: May I inquire who it was who used these words?

Mr. ELLIOTT (Dundas): The present Minister of Agriculture. He says further:

I have talked so much since I left home that my voice sounds almost like a buzz saw.

If the present Minister of Agriculture would stand up now on the floor of this House and make these remarks, what would be the effect? But he was not alone in calling on the Liberal convention or the Liberal party to stand by their pledges. I am going to quote from the remarks of another hon. member on this occasion the present Minister of Customs and Excise (Mr. Bureau).

He said:

If we are to have a great nation, it is not the platform of the party that comes first; there is no use in having a platform if you have not the men with the heart to put that platform into practice. First, we must be united. Let us be Canadians; let us be Liberals; and we shall have a great country, progressive, prosperous and happy.

I would like to draw the attention of the House to the fact that the last plank in that tariff platform that I read has never been touched. Now, I do not want to pick out one or two members of the present government and throw all the responsibility on them. Our friends here to the right are talking of an election, but I think they want an election least of any in this House, because with the policy they have to go to the country on, they will never come back. I am going to read now from the speech of Mr. Duncan Marshall, who I understand, is at present engaged as Liberal Organizer throughout this country: He said:

The Dominion government should take from off the backs of the farmers of Canada the burden of the protective tariff. If governments will do these two things for the farmers of our country then the farmers will take care of themselves.

He said further:

We are willing to go as far as anybody will go along the lines of free trade; personally, I should be glad to burn every custom house between Canada and the United States.

I would like to ask whether this man is preaching the same doctrine to-day. If he is, what right have the people to pay any attention to him?

The statement has been made from the right hand corner of this House that the people of the province of Ontario are all for protection. The hon. member for Parry Sound (Mr. Arthurs) made the following statement the other night:

I think that the average man in Ontario, whether farmer or manufacturer or labourer, is a protectionist on principle, and the man in the west should have some sympathy for their viewpoint, which is just as honest as the free traders'.

In the last election in 1921 there were twenty-four Progressives elected in Ontario, and they were elected on a low tariff platform. There were also elected from Ontario twenty Liberals who subscribed to the tariff policy which I have just read. I submit that these men have not been true to the promises they made to the people of Ontario. I intend to vote against the present budget for the very reason that it does not conform to the platform which I advocated and which I promised the people I would try to carry into effect.

Mr. MOTHERWELL: May I interrupt for a moment? Can my hon. friend recall any time since confederation when the duty on the chief agricultural implements of the country were as low as they are now? Is my hon. friend aware that a very substantial number of the imports from Great Britain have now a 50 per cent preference as set forth in that platform—a very substantial preference?

Mr. ELLIOTT (Dundas): I am willing to admit that concessions were made along the lines of agricultural implements and other machinery used in well drilling and the like. I will concede that, but what I contend is that this plank in the Liberal platform, which apparently was to look after the poorer classes of the people in this country, has been entirely disregarded. The duties on the necessaries of life, such as boots and shoes, clothing and so on, have not been touched.

Mr. LADNER: Would the hon. gentleman advocate reducing the duty on boots and shoes lower than it is at present?

Mr. ELLIOTT (Dundas): I would answer in this way: I am a farmer, and I have to compete in the markets of the world against everybody. I do not believe in handing out special privileges to anyone.

Mr. LADNER: If the hon. gentleman is consistent, he would then eliminate all customs tariffs in their entirety.

Mr. ELLIOTT (Dundas): If the tariff commission that is appointed is an absolutely independent and efficient tariff commission—I do not mean a tariff commission that will be sent broadcast all over this country such as we have had in previous years—but a commission formed of experts in the different departments, and we have men in the departments here who are quite capable of handling any question pertaining to trade in any line in this country, and if the people who are engaged in any industry come to that commission and show why they should have protection, I will be willing to see that our industries are not pushed off the map; but go further I will not.

I have some more choice gems here. I have one here from the Minister of Public Works for New Brunswick. The question has been raised here to-night as to how the revenue should be raised. The hon. member for Parkdale said that his policy was to increase the tariff. The hon. member for East Calgary (Mr. Irvine) the other day, in a very clever speech, showed that the tariff at the present time was between the two extremes for the purpose of raising almost as much revenue as it was possible to raise. Everybody knows that if the tariff is raised to an extreme point it performs the same function as an embargo, and that if you carry it down to the bottom you get less revenue. This question of raising the revenue came up at the Liberal convention, and the Hon. Peter J. Veniot, Minister of Public Works for New Brunswick, answered the question how they would raise the revenue in this way:

> There are some who contend that the lowering of the tariff will injure the industries of the Dominion. There are some that contend that the lowering of the tariff will reduce the revenue of our country, and that having regard to the conditions brought about by the war and to the fact that Canada is in need of a large revenue, it would be disastrous to reduce our tariff at the present time. There are even some Liberals who hold that view, and to those especially allow me to say a word. Allow me to take them back in imagination to 1896, the time of the introduction of the Fielding tariff. Notwithstanding what our Conservative friends may say as to there being very little difference between the Fielding tariff and the National Policy, we know that there was a considerable reduction in the tariff of 1896 as compared with that of previous years.

That is a question. He goes on:

> Notwithstanding that reduction, ladies and gentlemen, the revenues of Canada increased by leaps and bounds; so much so that when the Liberals were defeated in 1911 the revenues of Canada had soared to such a figure that the like had never been known before in the history of our country.

That, Mr. Speaker, is the Liberal solution of the problem of raising the revenue. I have a number of other extracts that I am not going to weary the House by reading at this late hour. I have brought these in for the purpose of explaining why I was going to vote against the budget. I believe the mandate that was given to the present government was to lower the tariff, and had the tariff been lowered the people in this corner I believe would have supported it. It has been said that this present budget is a stand-patter, but I think it is a rock-a-bye, for it goes backward and forward. For that very reason I am not going to submerge my own personal convictions on the question of the tariff by supporting any budget that is not along the lines laid down in this platform. I do not care what the consequences are, and if it means an election should the Progressives in this corner stand out against the budget, the sooner we have it the better, and let the people decide whether the pledges given to them by this present government have been put into effect.

The discussion of this budget, although it has been long, has been very amusing and educative as well. I am going to refer to a statement made by the hon. member for Brantford (Mr. Raymond) the other day in this House. Someone from the official opposition asked him if he had advocated a low tariff during his campaign. His answer was that he did not know where they advocated low tariff, but it was not in his riding. Now that goes to prove that in the present House there are some who did not believe in the platform which their party adopted in 1919, and it would be very easy for me to name some more of them.

Many statements were made the other day by the hon. member for St. Lawrence-St. George (Mr. Marler), who spent considerable time explaining the system of bookkeeping that this government followed in bringing down the budget. I venture to say this, that the present budget would be similar to the Speech from the Throne in that it would be prepared and placed in the hands of the Acting Minister of Finance by the officials in the department, who would probably be the same as under the late government, and I expect that

their system of drawing up the budget would be the same that was followed in previous years. But I would like to draw attention to this: The man in the street does not care a rip what system of bookkeeping the government follows so long as they pay their way.

The sum and substance of the budget, as far as I can see, is this: When we take every expenditure into consideration, including the advances or loans to the railways, we find there is a deficit, which means that that deficit is added on to our national debt which means in turn that the taxpayer of this country has to provide more interest in other years. That, to my mind, is of greater importance to the people of this country than the system of bookkeeping that is followed by the government.

Another thing that came up in the House the other day was the disclosures, if I might use the word, made by the hon. member for Chambly and Vercheres (Mr. Archambault). I need not recall, because you will all remember, the charges he laid against the official opposition of profiteering that went on during the war, of the money wasted in building the merchant marine after the war was over, and a number of other things I need not go into. But those things are over. I am not saying that the Conservative government of that time was guilty of chicanery or anything like that, but I do say this: As the time is not far distant when we are going to have another war, if we are to judge by what we see in the papers from day to day, the duty of the government at the present time is to bring down measures which will prevent anything of that kind taking place again in the future. That is the lesson we should learn from the speech of the hon. member for Chambly and Vercheres. The one regrettable feature in connection with that expenditure is this: If it was reckless, it is passed on to the men who fought to save this country, and they will be carrying that burden till their dying day. That is one of the hardships which those people have to suffer. Surely if it is in our power to prevent such a thing as that happening again we should not hesitate to do so.

There is one more matter I wish to discuss before bringing my remarks to a close—a question that has been brought before the House in many different ways—and that is the condition existing at the present time in Cape Breton. The situation there has been referred to as a strike. I do not think the word "strike" is appropriate; I think it should be regarded as a "crisis." I do not wish to cast any discredit on the corporation that is operating there, but it looks to the public at large in this country as if that corporation cannot carry on. If such is the case there is a duty devolving upon this government, and that is to provide for those people in Cape Breton who are starving. I am not trying to introduce this matter in a political sense at all; I do not care who is right, whether it is the employees or the corporation, but what I do say is this: That we should not in a country as rich as Canada allow women and children to exist in the conditions which prevail in the Glace Bay district to-day. No matter what the cause of the controversy may be, I say it is a blot on the name of Canada to allow those conditions to exist. If we go back only a few years when the war was on we found thousands of those miners enlisting. When this country was in need those people responded to Canada's call. To-day they are in need and what is this country doing in their behalf? We have heard different sides of this question presented in the House. But I had the pleasure to-day of listening to the superintendent of relief conditions in that district, and I understand that he is to address the members of this House to-morrow afternoon. I think there is enough humanitarianism among hon. members to go and give that man a hearing. I venture to say that after hearing his statements hon. gentlemen will adopt an attitude towards that community very different from what they do to-day. We have been told by the Prime Minister, and I do not dissent from his statement, that technical questions prevent him from stepping in and taking some measures for the relief of the miners and their families. But technical questions did not prevent this country from granting relief at the time of the earthquake in Japan, at the time of the Halifax catastrophe, of the earthquake in San Francisco and many other emergencies. Now surely if the Canadian government was justified in spending money of the Canadian people in relieving distress outside our own boundaries—as was the case in two of these emergencies at least—are they not more justified in meeting the necessities of our own people in a case such as the present?

I listened very attentively to the remarks of the hon. member for Chambly and Vercheres (Mr. Archambault). In his closing observations he appealed for national unity. I think his appeal should be listened to by everybody in this country. If Canada needs anything it needs unity because we have in the Dominion people of different races and different religions. I think if hon. members would study intelligently all the troubles and problems of the people of Canada, no matter

in what district they may be found, national unity would be achieved very much more quickly than is likely to be the case from the way we are proceeding.

Mr. W. J. LOVIE (Macdonald): Mr. Speaker, although the hour is late I recall the fact that in the budget debate last year I had the good fortune to secure the floor at a quarter past three in the afternoon, so I am not going to indulge in any kicking about the lateness of the hour on the present occasion. In taking part in the budget debate of 1925 I had hoped to be able to assure the House that I would not take up very much time, but I am afraid I shall have to speak at some length as there are quite a few points I wish to touch upon.

I wish to say at the outset that the present budget lends itself to criticism on the ground that it is not following up and extending the admirable policy so worthily started by its predecessor the 1924 budget. The budget of last year was accepted by the country as a whole not so much for what it actually contained as for what it portended. The people of Canada thought that a start was being made towards relieving them from the crushing burden of taxation which hangs so heavily on the shoulders of each and every one. An editorial in the Manitoba Free Press at the time the budget was presented last year, announced that that budget gave general satisfaction all over the west, although the reduction in duties was practically confined to agricultural implements, a slight reduction in the sales tax, and a few exceptions. The budget of 1925 offers no reduction in taxation. It is generally called in this House a stand-pat budget, and as such will not be received with very much favour by the country in general. Another reason why I at least will reject the present budget is that it is a protectionist budget and as such does not sound the much heralded "death knell of protection" of which we heard so much last year. To listen to arguments in this House one is forced to the conclusion that in advocating the wiping out of a protective tariff one is advocating the wiping out of customs duties entirely. That is not so. What the Progressive party stand for, and what they are fighting for, is to have the protective feature wiped out of the tariff entirely. Now, the question will be asked immediately "Where is Canada's revenue to come from?" and I believe it has been asked even this evening. That question, Mr. Speaker, is very easily answered. A protective tariff does not raise revenue; it was never intended that it should. The objective

[Mr. Elliott.]

of a protective tariff, brought to its logical conclusion, is to prevent importations. Therefore no duty can be paid where there is no importation.

Mr. LADNER: Where does the hon. gentleman draw the line between a protective tariff and a tariff for revenue only? Surely a tariff for revenue ipso facto is a protective tariff?

Mr. LOVIE: I think I will answer that question of the hon. gentleman as I go along in my address.

Canada at present raises $344,000,000 of revenue annually, of which only $108,000,000 or about 31 per cent is raised from customs. Of course in wiping out the protective feature of the tariff one is not doing away with the customs house as a means of raising revenue, there could still be duties on tea, coffee, silks and so on which are not produced at home, and excise tax on wines, spirits, tobacco and so on which are produced at home to a limited extent, and which should all bear their share of a revenue producing tax. The income tax and the sales tax, two methods of taxation, started since the war period, are responsible for raising a large share of the revenue of Canada, and were the plan adopted that I have outlined I have no doubt that the increased volume of business transacted would make the income tax and the sales tax more and more available as a revenue producer. There is no doubt, in fact it is a foregone conclusion, that the fetters of protection duties once removed Canadian trade and prosperity would advance with leaps and bounds. On one point all in Canada are in perfect accord: A remedy for existing conditions must be found and applied quickly. As to what the specific remedy will be there is difference of opinion. Our Conservative friends—there are not many of them here to-night but those that are here are on the job—are constantly advocating that a protective tariff high enough to protect the industries of this country and to keep out competition is all that is necessary to promote trade and give prosperity to all and sundry. They claim that raising the tariff will stimulate industries at home, prevent the importation of products that can be manufactured in Canada, do away with the unemployment problem, stop the exodus to the United States, and in short, cure all the ills from which we are suffering at the present time. This to my mind is a fallacy of the worst kind. The party in this House that advocates high and still higher protection points with pride to the United States as a shining example of the benefits of a protective tariff. On this point I should just like to read an extract which

came to my notice about half an hour ago. It is taken from the Treherne Times, a paper published in my own constituency:

April 23, 1925: Henry Ford is credited with the following: We in America can live within ourselves. We can even raise rubber. We can place a tariff wall about ourselves high enough to keep out the goods of other countries if we so desire. But I for one do not favour that narrow provincial policy. I am for free trade unrestricted and unhampered among the nations of the world. The free, natural unhampered and unrestricted trade between the forty-eight states of the United States is a perfect demonstration of the line that world trade should follow. And such a course will be followed when we come to know that all tinkering and monkeying with natural free trade hurts and restricts all legitimate business and industry.

Such world trade based on labour and fair exchange of goods and no favours does not need armies and navies for its protection. It needs only the goodwill and confidence of friendly neighbours, who have been helped and not hurt by its development.

And of course Henry Ford's ability is well known and no comment need be made on that article. The party in this House who advocate high and still higher protection point with pride to the United States as a shining example of the benefits of a protective tariff and entirely overlook the fact that the United States is the largest free trade area in the world, that on account of her diversity of products and industries, on account of the north being able to trade with the south, and the south with the north, the east with the west and the west with the east, protection has done that great country less harm than it would have in a more restricted area. In short, the United States has prospered, not because of protection, but in spite of it; but we in Canada from our geographical position cannot claim the same results from a protective policy, such as we have had for the past.

To those in this House who are recommending a still higher protectionist policy than we have at present, as a cure-all for the financial sickness of Canada at the present time, I would like to quote for their benefit part of a speech delivered by Richard Cobden in London on September 28, 1843. Richard Cobden was reciting the condition of the people in Great Britain prior to the breaking of the back of monopoly there by the repeal of the corn laws, and these are his words. Conditions in Great Britain seemed to have been on a par with what we in Canada have at the present time, namely, starvation in the midst of plenty. I quote these words to show what conditions were in Great Britain on September 28, 1843. I do not think I will take time to quote the speech, but I have it here if anyone doubts it.

I may say that the conclusion reached by Mr. Cobden was not the conclusion reached by the Conservative party of to-day as to the nature of the remedy to be employed, but history has demonstrated that Richard Cobden was right in the conclusions which he reached and in the remedies which he advocated for the cure of the economic ills of Great Britain. The hon. member for Fort William and Rainy River (Mr. Manion) has mentioned in this budget debate that all Great Britain's prosperity was achieved prior to the repeal of the corn laws in 1846. The hon. member has gone back quite a few years for his comparison, but I am able to go back just as far. I might say that I for one worked with and alongside farmers in Scotland who farmed both before and after the repeal of the corn laws, and these men were able to tell, and did tell from actual experience, how much conditions had improved for the agriculturist and the working man and incidentally for the whole population after the repeal of the corn laws. I do not want hon. members to take my word, but I will quote Cobden's speech in 1884 as to conditions in Great Britain. He gives the conditions in Scotland, England and Wales all separately, and I will take a short quotation from what he said about the Scotch labourer and farmer because I know those conditions better. He said:

Yet I find the following description of the diet of these labourers in a Scotch paper:

"In East Lothian, the bread used by hinds and other agricultural labourers is a mixture of barley, peas and beans, ground into meal; and you will understand its appearance when we inform you that it is very like the rape and oil cakes used for feeding cattle and manuring the fields; and it is very indigestible. coarse food."

He says also:

In this country (Forfarshire), the mode of engaging farm-servants is from Whitsunday to Whitsunday; in some cases the period of engagement is only for half a year. The present average rate of wages is eleven pounds per annum, or a fraction more than four shillings per week, with the addition of two pecks or sixteen pounds of oatmeal, and seven Scotch pints of milk weekly. The amount of wages may be stated thus:—

	s.	d.
Money..	4	0
Oatmeal, two pecks at 10d..	1	8
Seven pints of milk at 2d..	1	2
Total..	6	10

That is the current weekly wages of an able-bodied agricultural labourer. An old man—that is, a man a little beyond the prime of life—if employed at all, his wages are considerably lower.

These are the conditions as they were in Scotland before the repeal of the corn laws and it is practically the starvation that was brought about that put the protective tariff out of business.

Conditions in Scotland such as Cobden describes prevailed prior to 1846 but do not obtain to-day. These dark days are left be-

hind never to return. The putting of the trade of Great Britain on a free trade basis with a revenue tariff on certain articles not produced at home, and an excise tax on certain articles produced at home, has shown the world a method of conducting the financial affairs of a country which is both sure and stable, as it gives fair play to all and special privileges to none, and the record of Great Britain since the signing of the Armistice in the payment of war obligations, and in the reduction of her war debt, has shown that her method of financing is efficient, effective and stable.

The secret of the success of Great Britain is that she trades with the whole world on an equal basis. During the whole period from 1846 to 1914, manufacturers in the United Kingdom had to meet the competition of every country in the world that must find overseas markets for the output of its factories. This competition British manufacturers had to meet, and did meet with success, without a vestige of tariff protection at ports in the United Kingdom. In 1912, only two years before the war, the total value of the import, export and re-export trade of the United Kingdom, was $1,343,602,000. It exceeded the foreign trade of Germany by nearly 40 per cent; it exceeded the overseas trade of the United States by 70 per cent, and it exceeded that of France by 125 per cent. Our fiscal policy, said the Economist of London, in 1912, approximated that of free trade, while the fiscal policies of our three principal rivals, Germany, the United States and France, was that of high tariffs and trusts. The moral appears to be obvious. If the people of Canada will not trust the Conservative party to apply the so-called cure of high protection to economic ills from which they are suffering, how about the policy of the Liberal party? I will take a few quotations from an editorial in the Manitoba Free Press of May 17, 1924, headed, "A Turning Point in Political History." This editorial will describe the feeling of the majority of people in western Canada in choicer and more concise language than I can command. It says in part.

> The Liberals were protectionists, where they needed to be to get elected, and believers in a revenue tariff where that view was popular; with the result that the parliamentary representation, in place of being a compact body, was a combination of two wings, one protectionist, the other low tariff with a nondescript centre, prepared to be governed entirely by consideration of expediency.

Now, we may ask ourselves the question, what is wrong with Canada and Canadian conditions. That she is sick, no one will deny, and it is no use doctoring the effect. Let us get to the cause if we can. Canada has unlimited natural resources but at present they are undeveloped. They consist of agricultural lands, mines and fisheries. Of these four sources of wealth which Canada has in practically unlimited quantities agriculture is the greatest. There are in Canada 440,000,000 acres of arable land of which 110,000,000 acres are occupied, only 60,000,000 acres being under cultivation. On what is under cultivation we raised in 1923 over 400,000,000 bushels of wheat, of which 80 per cent had to find a market outside Canada. The export market also ruled the price of the balance sold on the home market, so that the farmers received for their wheat what it was worth in the open market of the world, less storage and transportation charges. The farmer in the disposal of his surplus product has to come into competition with the cheap labour and low standards of living of other countries, as well as depreciated currency and other incidentals. He is prepared for that competition; he accepts it as part of the day's work. But he has to face something far harder at home in his own country, and that is the problem of the high cost of agricultural implements and machinery, excessive transportation charges both by rail and water, high interest charges on borrowed money, high taxation, and a high cost of all articles he has to purchase; while the cost of the necessaries of life is enhanced by the protective tariff and the cost of the distribution system as well. The great problem in Canada, then, at the present time is how to make agriculture profitable. Not only is agriculture unprofitable in the three prairie provinces, but the conditions are even worse. Let me quote from an Ontario newspaper the following:

> The Kincardine (Bruce County) Review tells how for years past the Western Ontario United Boards of Trade, representing organizations in Perth, Essex, Brant, Huron, Waterloo, Kent, Grey, Lambton, Elgin, Wellington, Oxford, Middlesex, Bruce and Norfolk, have been collecting information from the 157 township clerks in these counties. They now find that agriculture is on the decline in the area they have been studying.
>
> It is found that in these fourteen counties 212 60 acres are known to be for sale; farms actually vacant not including those abandoned as useless for agricultural purposes, come to 75,000 acres; there is reported to be 100,000 acres more land in pasture than is necessary.
>
> All this indicates a decline in the agricultural activity throughout many of the finest counties in the province, and the western Ontario organization means to call a conference later in the year to discuss the facts and see what can be done to improve matters.
>
> Everybody knows that western Ontario is a highly important part of the province and dominion, and everybody in western Ontario knows that the foundations of its prosperity are in its agriculture. The moving away of skilled farmers, the departure of the farmer's family for the city, the inability to secure useful farm help means at first idle fields and later idle farms, and a reduced and poorer countryside.

It is time city people paid more heed than they have ever done to the warnings given in these columns that the province and dominion can have no real prosperity unless that prosperity begins with agriculture—the corner-stone of everything in this country.

From 1920 to 1924 the farmers of Manitoba, part of that great country which has been rightly called the granary of the empire, would have been better off financially had they allowed their farms to rest for three years, just raising sufficient for their own use. This period includes the year in which there was a rusty crop which was not worth the expense of handling; and from 1920 to 1924 the more the farmer raised the further he went behind, by reason of the high cost of production. It took two years before that calamity had reflected itself in the balance sheet of the eastern manufacturer. But it has got as far as eastern Canada; and it would be amusing were it not tragic to contemplate the different reasons assigned for the depression of trade conditions in this country. One of the real reasons for this depression is the fact that the prices of the products the farmer has to sell have been depreciated to pre-war level since 1920, while the prices of all the things he has to purchase have stayed at what they were during the war. Taken in bulk, everything the farmer purchases is twice as expensive now as it was in 1914, and it is small wonder he is making so few purchases on capital account. Very few farm implements have been purchased in these years of depression, and that condition has been reflected back to the makers of implements, who through lack of orders are unable to keep their factories going. This has resulted in unemployment. Very few buildings are being erected on the farms, and this means that the builders have had no employment; while building material has not been required and as a natural consequence there has been no business for the lumber yards. This has been reflected back in the saw mills and further back to the bush cruise. Again, no nails have been required, nor has there been any need for general hardware, so that there is less business for the hardware stores, and this is reflected back to the wholesalers. Small wonder there is unemployment and the men are leaving this country and going elsewhere to get a chance to earn their daily bread. But they will come back as soon as conditions improve.

What is urgently needed in Canada above all else is a method to make agriculture profitable. In spite of all squirming and twisting, we will admit sooner or later that this basic truth remains, unshaken and undeniable, that the farmer's business must be made profitable or no one else's business is worth five cents. And this should be kept squarely before us in any form of readjustment we may have in view. Nor do conditions relating to agriculture, such as I have described, obtain in Canada alone; the American farmer is in the same boat with his Canadian cousin. The Breeders' Gazette of December 4 last contained an editorial commenting on President Coolidge's remarks delivered at the Chicago stock yards. This article was written by Mr. Saunders, the editor of the Breeders' Gazette and president of the company, and it says in part:

We share in the President's sympathy with practical movements promising to give farmers a decent reward for their labours. The greatest single question before America to-day is how to make the farm pay. To the solution of the problems involved must be brought the best thought of the nation, and a disposition upon the part of all other industries to confess the great truth enunciated by the president in his down-town Chicago speech to city businessmen, to the effect that we must not and can not divest farming of the "human element" entering into it. His business must afford him a decent living for himself and family. In the language of the president, "He wants a fair show, and when he gets it he can be relied upon to take good care of himself and to contribute substantially towards taking care of the rest of us."

The question looms up larger than ever, how to make agriculture profitable. You cannot by any possibility raise the price of commodities on the markets of the world, and therefore the only thing is to lower production costs. The Montreal Gazette last fall had this to say about agri-

1 a.m. cultural conditions, that it was neither the tariff nor high freight costs that hurt the west but the low world price for wheat. The same writer told the western farmers that they must look to the home markets because of the uncertain prospect of stability and economic recovery in Europe as a result of the adoption of the Dawes plan. I may say this about the home market for wheat: With 7 bushels per capita as the outside consumption, how is a population of 10,000,000 to consume an output which in 1923 amounted to 400,000,000 bushels and which in future years may easily exceed that? The Gazette's economist, out of a sense of patriotism and devotion to his economic views, might multiply the consumption of wheat fivefold, but this would be beyond the capacity of the rest of our 10,000,000 people. This means that we shall have to sell our wheat to the British, the Germans, the Italians, the Japanese, the Chinese—to every nation under the sun which imports wheat; and to get into these markets we shall have to conform to world conditions. If the prices fixed by these conditions are so low at times as to wipe out the margin of profit,

the result will be stagnation in the west with resultant hard times down east. The east is suffering to-day from a lack of purchasing power on the part of the western farmers; and until this revives there will be industrial depression.

Now, as to making agriculture profitable. It is no use at this time suggesting the home market as a remedy, because, although that might be a factor fifty years hence, relief from existing conditions must be given at once if agriculture and industry in Canada are going to be salvaged. The farmer had the value of all his stock and products depreciated in 1920 and 1921 to pre-war levels. He took his loss, and it was a heavy one, but he perforce had to take it and grin and bear. No other portion of the community have yet taken the loss and depreciation the farmer took in 1920 and 1921, and it is up to them to trim their sails and adjust their business to the conditions which now obtain. Manufacturers stated when deflation started there would be no reduction in prices of implements or machinery until implements manufactured from high priced material were sold at war prices, and this has militated against a return to normal as farm implements are almost twice the price they were in pre-war days. Labour in Canada as a whole is 25 per cent better off in wages than it was in pre-war days, but the cost of living is high and rents are higher; consequently they will about break even. Freight rates are high, also express rates, and these last named play havoc with the marketing of produce, such as eggs, butter, cream and so on.

I do not know whether railroad wages are too high or not, but they are certainly out of line with the wages paid the men who are producing the freight for the railways to haul. Possibly the men on the farm are paid too low wages, I am inclined to think they are, but they are paid all the business of farming will afford. I will give a personal experience as to the difference between railway wages and farm wages. Last harvest I had stooking and threshing for me a Canadian Pacific fireman who was out of work. I was paying him $3.50 for stooking and $4 for threshing. He stayed with me until the weather became very wet, when he said, "I can get a job at railway firing and earn twice as much money as you are paying me." That is a far higher rate of wages than the farmer can afford to pay. Consequently I repeat, I do not know whether our farm men are paid enough, but they are paid all the business of farming will afford. Nine men out of every ten will tell you that because of the seasonal nature of railway work in Canada high wages have to be paid to compensate the men for the season of the year when they are perforce idle. To find out just how seasonal railway employment is in Canada, I wrote the Dominion Statistician asking him to give me the number of men employed on Canadian railways month by month. On receiving his answer, I wrote him asking for the payroll of employees on Canadian railways month by month. I must say I was surprised, for the statistics certainly do not bear out the contention of seasonal employment and the consequent necessity for very high wages. These two tables are in my hand, and they can be placed on Hansard if the House is willing:

Number of Employees
All Railways

	1923	1924
January	153,956	152,153
February	153,716	151,854
March	151,782	151,191
April	155,916	156,025
May	172,504	172,187
June	180,240	179,822
July	184,669	175,694
August	184,491	165,456
September	177,112	159,818
October	177,535	156,338
November	164,687	149,209
December	154,343	143,761
Average	167,572*	159,030*

*Includes adjustments.

Total Amount of Pay Roll
All Railways

	1923	1924
January	$19,133,573 75	$19,015,214 05
February	18,169,590 77	18,743,719 76
March	19,073,757 60	18,911,121 30
April	18,639,187 72	18,673,740 73
May	22,023,160 88	20,524,241 12
June	21,172,384 96	21,293,746 84
July	21,661,827 20	20,471,203 42
August	22,526,734 27	19,267,039 00
September	21,165,703 31	18,778,061 51
October	22,789,150 22	19,692,386 58
November	20,820,582 11	18,326,350 45
December	19,269,074 76	17,848,121 13
Total	246,444,727 55	*231,517,862 89

*Includes adjustments of $27,083 (deducted).

The question of deficits on the Canadian National railway system should at once receive the attention of parliament. This subject has been taken up a good many times and I desire to mention it again in order to impress it on the House. No board of directors can give their best service in the interests of a system that they know is in such a position financially, through over-capitalization, that it is impossible to earn operating expenses and pay interest on fixed charges. The hon. member for North Waterloo (Mr. Euler) dealt with this question so fully that there is no need to go into it any further than to say that this proposal is not new; it has been brought before

the House and the country on several occasions, but it will have to be emphasized over and over again before the government will move in the matter. The government should, at as early a date as possible, write off the excess capitalization of the Canadian National Railways and add it to the national debt of the country. Give Sir Henry Thornton and his board of directors a fair field with no favours and no political interference, and let them understand that if they cannot make the system pay under conditions extremely favourable, they must resign and make room for men who can accomplish the job. But, Mr. Speaker, I have faith enough in Sir Henry and his business ability to feel satisfied that he could accomplish the job successfully. The successful operation of the railways will not be accomplished by a raise in freight rates, as rates are now as high as the traffic will bear, and in some cases higher, but economy and good business management must be exercised, and duplication of service must be reduced to the minimum.

I wish, Mr. Speaker, to say a word on the coal situation. I am not familiar with the local conditions in Nova Scotia, but I am going to touch the coal question from a national and international standpoint. I am strenuously opposed to all duties on coal and seeing that the United States has no duty on coal, against any nation which allows American coal in free, I would strongly urge that American coal be allowed entry duty free, in other words, there should be reciprocity in coal. I have never been convinced that Alberta coal could be brought to Ontario, in fact I consider the proposition is not feasible commercially, and I am strenuously opposed to the taxpayers' money being paid out to assist impossible trade ventures. Winnipeg is as far east as Alberta coal can be drawn by rail as a commercial proposition, and even then it is worth $12 per ton, which is certainly its extreme value. With free trade in coal, Alberta mines could supply not only Alberta, Saskatchewan and Manitoba but also North and South Dakota and Montana, which would give them quite a territory contiguous to their mines; Ontario would get its coal supply from Pennsylvania; and the Maritimes would supply the local market and the New England states. The fuel problem certainly looks simple when you wipe out the restrictions upon trade, imposed by man in his so-called wisdom and apply the law of geography and common sense, which is, that the shortest hauls possible should be utilized for heavy freight.

Our friends of the Conservative party are fond of throwing out the taunt to the government, "They are afraid to go to the country and submit their policy to the electors." Well, the life of the Canadian parliament is supposed to be five years, and personally I see no reason why general elections should be brought on oftener than is absolutely necessary. There is a certain amount of dislocation and unsettlement of business accompanying every general election, so the less of that unsettlement the country is subjected to the better for the country. While at my home in Manitoba during the Easter recess meeting my constituents, when the question of a general election was discussed the general expression of opinion was that these electors figured that they had done a pretty good stroke of business in 1921 in sending to parliament 65 members, all Progressives. These Progressive members owed allegiance to neither of the old political parties, were men and women who would vote on questions coming before parliament solely on the merits of the question at issue and in its reference to the good of the people of Canada as a whole, and with no consideration for party advantage. A record of the votes cast in this chamber during the sessions of 1922, 1923, 1924, and so far this session will show that so far the Progressive party have voted about as often with the official opposition as with the government, and sometimes the Progressive party have stood alone against the combined forces of the government and the official opposition. The men and women of western Canada who sent Progressive members to parliament in 1921 feel to-day that they played a very safe game in electing to the federal parliament members who thoroughly understand rural conditions, who are hampered by no party affiliations and to whom the lust for power or the spoils of office make no appeal, and these electors are quite prepared to repeat at the next federal election what they did in December 1921.

The policy proclaimed and preached by the Conservative party is anathema to a prairie farmer. He knows absolutely that no amount of protective tariff can assist him in any possible manner. Consequently he is not going to cast his vote to give the other fellow the privilege of taxing him in the so-called "interest of industry", as he well knows that the ability of any industry to establish and sustain itself in a free field is the measure of its public utility. A western farmer and those dependent upon him know absolutely that a vote cast for the Conservative party means a vote which, carried to its logical conclusion, will rivet more firmly than ever the fetters that have been hindering and handicapping him ever since the inauguration of the National Policy

of protection The only party who will obtain support in the prairie provinces is the one who will absolutely stand squarely for equal rights to all, special privileges to none. If these manufacturers in Canada who clamour for protection would devote the same energy and expense to keeping their factories strictly up to date and keeping down production and distribution costs intead of maintaining an expensive lobby at Ottawa, they would enter the same class as the Brantford Cordage Company's binder twine factory at Brantford, Ontario, which claims to be doing very well under free trade conditions. I have an article here with regard to the conditions in connection with the Brantford Cordage Company: I will just read the last paragraph of it:

Regardless of political convictions, every Canadian must recognize in the Brantford Cordage Company a concrete denial of the oft-repeated doctrine that no Canadian company can battle unprotected against American competition. Here is a purely Canadian organization, created and operated with no governmental protection, possessing no peculiar advantages, which has succeeded, with constant progress, against the best efforts of the largest companies in the world through no means other than sheer courage, efficiency and hard work.

It would be unwise to generalize too freely from this instance to success. But the history of the Brantford company does indicate that where the necessity of self-reliance is accepted it is possible to substitute for tariff protection the independent defence of increased efficiency; that such necessity embodied in free trade conditions stimulates inventive effort and resourcefulness; that it tests courage and in testing it, strengthens it.

I wish to quote also a short paragraph from the Toronto Telegram of April 13, which is a report of a speech delivered by the hon. member for East York (Mr. Harris). Under the caption, "Canada needs Protection," the report quotes the hon. member as saying:

There was shipped into Canada from the United States 195,000 barrels of apples, 5,000,000 pounds of strawberries, 17,000,000 pounds of pears, 1,000,000 pounds of tomatoes, 27,000,000 bushels of potatoes and other farming produce which we grow ourselves. Let us protect ourselves against the men who can ship a month earlier than we can produce ready for market by a protective tariff and give our farmers a chance.

And at the bottom it adds:

Mr. Harris was received with great enthusiasm.

I may say just here that three years ago I was in a very southerly part of Ontario, on the 24th of May, and I went to see a gentleman there whom I knew. That particular country lying between Leamington and Windsor was a hive of industry: men and women were busy putting in all kinds of garden truck. The farms are small, but four or five men were employed on each one; in fact they were so busy at the time I was there that the people were unable to take in the sports that were going on not half a mile away. I asked this gentleman where they found a market for all the garden truck that was being raised in that part of the country. He said: "We get all the market we want in Detroit." When I remarked about the duty, he said; "Oh, the duty does not bother us. The people come from Detroit with their motor trucks; they drive right into the fields and they take away all the stuff we can raise." Now, if the farmers in the Leamington district can find a market for all their garden truck in the city of Detroit, I cannot see that there is anything wrong with some of our people in Canada buying earlier fruit and vegetables from across the boundary.

Mr. McMASTER: It is the Liberal part of Ontario down there.

Mr. LOVIE: I do not know as to that. Let me quote the following with regard to shortage of British Columbia rhubarb:

The fruit and vegetable jobbing trade of Winnipeg are puzzled to understand why more British Columbia rhubarb is not reaching this city. So far, it was learned yesterday only one car of British Columbia rhubarb had arrived, while seven or eight cars have come in from the state of Washington. There is a large demand in Manitoba at this time of the year for this article of diet before the Manitoba product comes on the market, after which all outside shipments cease.

Note these last words: As soon as the home product comes on the market, all these outside shipments cease.

I wish to make some reference to the immigration problem, but I shall not say very much about it at this time, because the matter will come up later in the House, probably on the estimates. Moreover, the question has been discussed from every possible angle and I do not think I can throw very much light on it. We have had the open door advocated, and on the other hand there are some who are advocates of keeping out immigrants altogether. This is a tremendously big country—I have said, with 440,000,000 acres that are arable, only 110,000,000 are occupied, and 60,000,000 under cultivation; so that there is certainly room for a lot more people. I am not in favour of the policy that was advocated by the hon. member for George Etienne Cartier (Mr. Jacobs) in his very able speech of the other day, to which we all listened with so much interest—a policy of the open door for immigration. There are certain countries from which I think our immigrants should come. First and foremost, I would draw the Americans from the northern states, because they are already acquainted with conditions such as obtain in the Canadian west. As a rule when they decide to move to Canada they have farms to sell, and they bring their

outfits with them—horses, implements, and probably enough money to give them a start; they know the conditions and exactly how to go to work and make their work count. So I would take the American first. Second, I would take British born; third, Scandinavians and Icelanders, and, fourth, people from northern and central Europe. If we had about as many as we could assimilate every year from these two countries I think Canada would be on pretty safe ground so far as the question of immigration is concerned.

In the constituency of Macdonald, which I have the honour to represent in this House, particularly south of Glenboro, and Cypress river, there are a good many Icelanders, and these men are ideal farmers. They have splendid houses and barns and seem to adapt themselves readily to the conditions in that part of the country. The Icelanders and the Scandinavians seem to be very closely related, and I would say that from either of these countries, as well as from Denmark, we can get the very best settlers. One thing I am entirely opposed to as regards immigration is allowing people who come from other countries and who do not know the ways of Canada to settle here in colonies. That has always been a mistake. The first large immigration I remember in Manitoba was an immigration from the west highlands of Scotland, sent out under the auspices of Lady Gordon Cathcart. These men were fishers or crofters, but having settled in a colony near Pelican lake they did not do well and ultimately lost their land. But the young people who came from Scotland along with their families, who grew up and strayed around the country, were the nucleus of the very best settlers we have. I am very much in favour of allowing only those people to come to Canada who can be assimilated into our population, with whom we need not be ashamed to have our sons and daughters, brothers and sisters, intermarry—men and women whose descendants will grow up and be what we call the very best Canadians.

Those of us who are in this quarter of the House have been looking forward to having a measure to provide for the single transferable vote put on the statute book of this country. We were promised by the Prime Minister that that would be done at the last session, but it was not done and we have not heard a word of it this session. However, we still hope that a measure for the transferable vote will be enacted into legislation before the close of this session.

In conclusion, so far as the amendment to the budget moved by the hon. member for West York (Sir Henry Drayton) is concerned, about the only comment I can make on that is one that I often heard made by a farmer in our part of the country, a very old man now, but who in his early years lived in Muskoka, later moving to Manitoba, where he made an ideal farmer, and he is now finishing his days in British Columbia. In commenting on patent medicines I often heard him say, "They are just like a drink of water—little good, little harm." This amendment strikes me as a good deal like patent medicine—little good, little harm, and I for one am going to vote against it. As far as the budget itself is concerned, as I am an absolute believer in free trade, I cannot conscientiously myself, nor in the interests of my constituents, support this budget.

On motion of Mr. Lapointe the debate was adjourned.

PRIVATE BILL

SECOND READING, COMMITTEE—THIRD READING

Bill No. 45, for the relief of Jessie Louise Cowan.—Mr. Duff.

On motion of Mr. Lapointe the House adjourned at 1.28 a.m. Wednesday.

Wednesday, April 29, 1925

The House met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DR. EDWARD FARREL

Mr. JONES:

1. Is Dr. Edward Farrel of Halifax, Nova Scotia, in the service of the Canadian National Railways?
2. If so, what position does he hold, what are his duties, and when was he appointed?
3. What salary does he receive?
4. Has he the privilege of free transportation over Canadian National lines, and if so, to what extent and during what period?

Hon. Mr. GRAHAM:

1. Yes.
2. Attached to hotel department in temporary capacity. He is making a study of hotel possibilities along the Canadian National railways in the Maritime provinces from the standpoint of private enterprise with a view to developing tourist travel.
3. None.
4. Yes; over the central and Atlantic regions in Canada to June 15, 1924.

INDIAN OFFICERS' RELIEF

*Hon. Mr. BAXTER:

1. Has the government received from the Legislative Assembly of Prince Edward Island a resolution or ad-

dress praying that the Dominion government would grant relief to certain Indian officers who had been defrauded by Andrew Fraser Mitchell?

2. If such has been received what has been the decision of the government in the matter?

Hon. Mr. COPP: Mr. Speaker, in reply to question No. 1, I may say that the resolution referred to was received by the government on Saturday last. The government has not yet considered its decision in the matter.

CANADIAN NATIONAL RAILWAYS—FREIGHT TONNAGE

Sir HENRY DRAYTON:

What are the respective freight tonnages carried from Vancouver and Prince Rupert by the Canadian National system in each of the years 1923 and 1924?

Hon. Mr. GRAHAM: From Vancouver, year 1923, 104,084 tons; 1924, 84,906 tons. From Prince Rupert, year 1923, 27,516 tons; 1924, 18,645 tons.

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

Mr. DOUCET:

1. What is the number of cars described as private, business or official, on the Canadian National system?

2. What officials have the right to use such cars?

3. What was the total mileage of such cars for each of the years 1923-1924?

4. What is the cost per mile of the operation of the passenger trains of the system?

Hon. Mr. GRAHAM:

1. 64.

2. Superintendents, general superintendents, assistant general managers, general managers, vice-presidents, president and other officers when their duties require.

3. Car miles—

1923	1,471,720
1924	1,386,538

4. Train miles—

1923	$2 87
1924	2 90

SUMMER TRAINING CAMPS

*Mr. CHURCH:

Will any spring or summer training camps be held this year for the militia or regular force, and where will they be located, for what time, and for what units and number of men?

Hon. Mr. MACDONALD (Pictou): Mr. Speaker, in answer to this question, I may say that it is expected that certain spring or summer training camps will be held this year, but where they will be located and for what time has not yet been decided upon by the department.

SOLDIER SETTLEMENT BOARD—WILSON

Mr. ARTHURS:

1. Has the property of a man named Wilson, at or near Clandeboye, Manitoba, been sold by the Soldier Settlement Board?

[Mr. Baxter.]

2. If so, what numbers of stock were sold, and what price per head was realized?

Hon. Mr. ROBB:

1. Stock and equipment sold; land and buildings not sold.

2. Two aged small horses: $32 and $35; four cows in poor condition and not in calf: $12, $13, $13.50 and $10. Three horses and seven cattle died in the settler's hands: two cows reserved.

SOLDIER SETTLEMENT BOARD—NORTHCUTT

Mr. ARTHURS:

1. Has the property of a man named Northcutt, of Selkirk, Manitoba, been sold by the Soldier Land Settlement Board?

2. If so, how long after the death of Northcutt was the sale held?

3. What proportion of the indebtedness of this soldier was realized at this sale, having regard to each of the various loans made to him?

4. What was total amount realized at sale?

Hon. Mr. ROBB:

1. Land and buildings not sold; chattels sold.

2. 25 days.

3. 27.3 per cent of loans for stock and equipment.

4. $624.

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

*Mr. WILSON:

1. How many private cars are in the possession of the Canadian National Railways for the use of officials?

2. How many of these have been secured in the past two and a half years?

3. How many were used to carry officers of the company to Portland on the occasion of the departure of Mr. C. J. Smith for England?

4. Who were the officers who used these cars for this purpose?

5. How many cars were on this same occasion sent around to Halifax, and for what purpose were they so sent?

Hon. Mr. GRAHAM: Mr. Speaker, I do not see my hon. friend (Mr. Wilson) in his place. When this question was called on a former occasion I suggested that the last three inquiries should not be pressed. I think the hon. gentleman would be well advised to drop them, as to answer them would lead to interminable questions on little matters of detail which I think are not of great interest. However, I will let it stand until he is in his place.

Mr. SPEAKER: Stands.

MATANE WHARF

Mr. HANSON:

1. What has been the cost to date of the Matane wharf?

2. Was the contract or any part of same let by tender, and if so, who was the successful tenderer in each case, and at what price, and was the successful tenderer the lowest tenderer?

3. If the contract was not let by tender how was the wharf constructed, by whom, and on what basis?
4. What prices were paid for the various classes of lumber used?
5. Who was the inspector in charge and on whose recommendation was he appointed?
6. Is it a fact that the wharf has not as yet been used for the purposes of shipment and transit?
7. Is it a fact that the wharf is now largely in a state of wreck?

Hon. Mr. KING (Kootenay):

1. $34,362.60.
2. (a) The contract was let by tender.
(b) Messrs. J. R. & J. E. Boulanger.
(c) $30,972.80 based on unit prices.
(d) Yes.
3. Answered by No. 2.
4. Lumber supplies by contractor—no information.
Lumber supplied by department and taken over by contractor at cost price:—
Protection piles, spruce, 33' x 6" 11602 l.f. at .20 $2,320.40.
Foundation piles, spruce 7" dia. 6399 l.f. at .13 $831.87.
Foundation piles, spruce 8" dia. 4573 l.f. at .13 $594.49.
Black birch 8' x 10" 42 l.f. at .30 $12.60.
5. (a) J. R. Pelletier.
(b) Appointed by Civil Service Commission.
6. Yes, wharf not yet completed.
7. No. The wharf was damaged by the storm of December, 1924, and repairs are now under consideration.

SHEET HARBOUR WHARF

Mr. BLACK (Halifax):

1. What proportion of the total cost of the wharf under construction at Sheet Harbour, Halifax County, Nova Scotia, for the use of the A.P.W. pulp and power company, is the government paying?
2. Where were the plans and specifications for this work prepared, and under whose supervision?
3. Were tenders for this work publicly called for, in what papers were notices of tender advertised, and on what dates?
4. Were plans and specifications of this work on view at the A.P.W. pulp and power company's office at Sheet Harbour, to any one wishing to tender?
5. Were the plans and specifications of the wharf at Sheet Harbour on view at the office of the Public Works department at Halifax, where such plans and specifications are usually lodged, and as has been customary in these cases?
6. Is the work to be done under the supervision of the Public Works department?
7. (a) How many tenders were received, and (b) from whom?
8. Where did the firms who tendered, get the tender forms?
9. Who was awarded the contract, and (b) what is the contract price?
10. Where were the tenders opened, and in whose presence?

Hon. Mr. KING (Kootenay):

1. One half, the total contribution not to exceed the sum of $7,500.
2. Plans and specifications for work prepared by public works engineers under supervision of Mr. District Engineer Thos. J. Locke, at Halifax, N.S.
3. Company did not advertise for tenders, but asked reputable firms for bids.
4. No information.
5. Yes.
6. Yes.
7. (a) Four tenders received. (b) Parsons-Ed Company, Moncton, N.B.; Halifax Dredging Company; Standard Construction Company; H. A. Russell Construction Company.
8. From the A.P.W. Pulp and Power Company, Ltd.
9. H. A. Russell Construction Company (b) at following schedule rates: Unballasted cribwork, 8 cents per cubic foot; Span between blocks, 25 cents per square foot; Rock ballast, $1.40 per cubic yard; making the contract price approximately $17,940.
10. In the office of the district engineer at Halifax, N.S., in the presence of Mr. District Engineer Thos. J. Locke and Mr. Connors, representing the A.P.W. Pulp and Power Company, Ltd.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Tuesday, April 28, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, the feeling of those who have to take part in the budget debate at this stage is well expressed by the French writer: Tout est dit et l'on vien trop tard—everything has been said, and we were born too late. Our particular system has been described as "government by discussion." Well, I am sure that nobody will deny that we are applying the democratic principle to its fullest extent. Our friends opposite have said that the budget offered by my hon. friend the Acting Minister of Finance (Mr. Robb) is a colourless instrument, a standpat budget;—they have certainly done it great honour by discussing it so vehemently and for such a long time. Of course, we knew it could not satisfy them—nothing could satisfy them coming from this government. Remembrance of the past and fear of the future are responsible for the discretion of my hon.

friends opposite in their expression of satisfaction with any action of the party which sits to your right, Sir. Their criticism has been directed against the manner in which the financial statement had been prepared and presented, and more particularly concerning accounts of the Canadian National Railways. They have used very strong language regarding it. Indeed, my knowledge of English has been improved—or otherwise—by listening to this debate, and I have added a few energetic words to my vocabulary. My friend from Fort William and Rainy River (Mr. Manion) has excelled himself, and probably others, in this respect. He did it—if he will forgive me for saying so—with the characteristic zeal, and even furore, of a neophyte. I have always noticed that when circumstances, or perhaps error of judgment, pervert a man into a Tory, he always becomes a very bitter Tory, a very strong disciple of the faith. He has a troubled sense of guilt, and he feels the necessity of justifying himself by all available methods. I have seen it stated in the papers that came from home this morning that my hon. friend will pay a visit to my city of Quebec next Saturday. From here I extend to him a hearty welcome, and as I have already been invited to go to Fort William it is possible that I may pay a return visit to my hon. friend.

Mr. MANION: I will extend to the minister a hearty welcome in return.

Mr. LAPOINTE: I knew I would be welcome. It is possible that I shall be offered the opportunity of seeing the dead bodies of two manufactures which have fallen victim to the tariff, as my hon. friend said the other day; because some mischievous citizen of Fort William has conveyed to me in writing the information that these manufactures were closed when the present government came into office.

Mr. MANION: I have not spoken of these manufactures this year at all. However, there are two in Fort William that have actually been closed on account of the lack of tariff protection which this government has refused to extend to them.

Mr. LAPOINTE: Oh, I see. Had the protection been decreased on the products of these two industries?

Mr. MANION: No, it has not been decreased.

Mr. LAPOINTE: Why should my hon. friend single out this government, then?

[Mr. Lapointe.]

Mr. MANION: This government is in power. We on this side cannot increase the tariff.

Mr. LAPOINTE: Yes, the government is in power, and it is going to stay in power. I was reading the other day a very clever French book written by Monsieur Barthou—Le Politique—in which members of parliament taking part in discussions were advised that it is very unwise and very dangerous to interrupt all the time. When we show my hon. friend and his associates that the method of bookkeeping followed by the Acting Minister of Finance (Mr. Robb) was the one in practice when his predecessors presented budgets to the House, even during the time of the member for West York (Sir Henry Drayton) and of Sir Thomas White—well, they tell us that has nothing to do with it. In other words, they are prepared to sacrifice these two gentlemen or anyone else on the altar of political exigency. I commend, Sir, this method of bookkeeping not because it was the method followed by the hon. member for West York but because I think it is the right and fair method. I submit it is fair that all our railway accounts are to be kept separately from the ordinary accounts of the country both as regards the national debt and as regards the operation and the effect of the operation of the railways on the surplus or deficit in connection with our national finances as a whole. And I may say that this practice is followed elsewhere. I have in my hand an issue of the Wall Street Journal of Tuesday, April 21, of this year, in which the accounts of the state of Switzerland are given. There the ordinary debt and the debt of the railways are dealt with separately and given separately; indeed, the debt of the railway is higher than the ordinary debt of the federation. Then, in another account they give the federal railroad statement, the operating surplus, the net capital charges, and either the surplus or the deficit, as the case may be. This is not withholding information; I submit that it is giving full and complete and understandable information. But apart from that it is the only fair method, both to the railway and to the government. We are operating these railways under a system of public ownership and we are obliged to give that system a fair trial. The people of Canada desire that these railways shall be operated free from political or government interference, and it is our policy that this shall be done. Our main responsibility, I claim, is in the appointment of

the head of the railway. This government takes full responsibility for the appointment of Sir Henry Thornton, and if that appointment is challenged we are ready to join the issue and take up the challenge before the people of Canada at any time. Of course, when the national railways become a paying proposition—it will not be before a long time, but it will be before my hon. friends come back to office—hon. gentlemen opposite will be the first to ask that the accounts be kept separately. But at present the adoption of that course does not synchronize, to use a familiar term of days gone by, with their present policy of alarm, blue ruin, and panic.

My hon. friends emphasize in every possible way the unavoidable deficits for which they themselves are largely responsible. They magnify the importance of the deficits—and it is a strange way of giving public ownership a fair trial—but they never mention the fact that two years ago the Canadian National Railways had an operating surplus of $20,000,000 and that even last year they had an operating surplus of $17,000,000. What the railways are suffering from is the legacy of debt which has been left to the present administrators, but to refer to this also would not harmonize with the policy of preaching blue ruin and disaster so zealously followed by my hon. friends.

In speaking on the address the right hon. leader of the opposition (Mr. Meighen) complained that I had described him as a Jeremiah, and stated that he would not be deterred from stating the facts as they were. Well, I will never find fault with my right hon. friend or with anybody else for stating the facts as they are. But I protest against misrepresenting Canada in the face of the world. I protest against the demoralizing influence of a campaign which has the effect of supplying erroneous information and mischievous and misleading material to those who are carrying on anti-Canadian propaganda in Europe or elsewhere. Indeed, we read in the press that the agents of the government of Canada, both for immigration and trade, are complaining of the effect of that campaign. To say, for instance, that our manufacturers are closing down their plants and failing by the thousands is a statement which I claim should not be made by any public man in this country, unless it be true. If it is not true, it is not fair to the people of Canada and to the Canadian nation. Now, were failures so numerous in this country last year? I have in my hand a compilation of statistics made by Bradstreet's which appeared in the Financial Times, of Montreal, of February 13, 1925, as to financial affairs in Canada during the year 1924. It shows that the failures in Canada in 1924 numbered 2,312, a decrease of 21.9 per cent from 1923, and of 28.8 per cent from 1922. But what is more interesting in this statement is that this agency of Bradstreet's gives the causes of those failures and statistics as to those causes, and what do we find with regard to those failures in Canada? The figures are as follows:

Failures due to—	1924
Incompetence	591
Inexperience	118
Lack of capital	887

Surely no one will claim that we should increase the tariff on account of failures due to any of those causes. To continue the list:

Failures due to—	1924
Unwise credits	55
Failures of others	11
Extravagance	9
Neglect	30

Then comes the one under which, if at all responsible for any, the tariff could come:

Failures due to—	1924
Competition	68

Now competition in the broad sense of the word means competition apart from tariff competition, so out of a total of 2,312 failures only 68 are due to competition, according to Bradstreet's; that is, only 2.7 per cent of the failures in Canada during the last year were due to competition. I claim the liberty of giving this to Hansard.

Mr. Speaker, we are hearing much also about debt and taxes. Canada has been described on all the platforms of the country as being the country where we are most heavily burdened with debt, and where we are taxed much higher than any other country not only in the British Empire, but some have even said in the whole world. You will remember, Mr. Speaker, that last year I caused almost a commotion by stating in this House that Canada was the least taxed country in the British Empire. I was taken to task for having made such a statement, and the Ottawa Journal had an editorial in that connection deploring in gloomy terms the impropriety of a public man being guilty of such grossly erroneous and false statements. Of course, it meant the falling down of the citadel of misrepresentations that had been erected in the preceding months.

This year I have asked the Bureau of Statistics to make the necessary researches into debt and taxation and prepare a statement to that effect, and I will ask you, Mr. Speaker,

to permit Hansard to print their statement. What do I find there? It is that Canada has the least debt of all the countries of the empire, though larger than that of the United States, the latter being due to the fact that in Canada we own public utilities and railways and their debts are added to the national debt. The debt of Canada per capita is $442.46, and that includes federal debt, provincial debt and municipal debt. The debt of the United States, including all the debts of the states and all municipal debts, amounts to $268.57 per capita; Great Britain, $922.48; the Commonwealth of Australia, $820.58; New Zealand, $884.94; Union of South Africa, $647.52.

When it comes to taxation, the taxation per capita of Canada is $63.51, including taxes federal, provincial, municipal and school; United States, $68.49, or $5 more than in Canada; United Kingdom, $99.36; Australia, $69.22; New Zealand, $77.12; South Africa, $75.92. All the particulars as to the national debt, the provincial debt, and the municipal debt are given in detail in this statement, and I think it is important on account of the lack of knowledge as to this question to put this statement on Hansard:

AGGREGATE DEBT AND TAXATION OF ENGLISH-SPEAKING COUNTRIES

The accompanying figures are taken from the best sources for all the countries included and are given for the latest possible dates. Statistics for the United States, so far as state and local debts and taxation are concerned, are taken from a United States offical report published June 6, 1924. It may seem somewhat remarkable that the per capita debt in Canada should be greater than in the United States, while our total taxation is lower, but the reason is to be found in the fact, that in this country public ownership of public utilities prevails to a far greater extent than across the line and that the capital invested in such publicly owned utilities, being borrowed, appears in our debt, while the revenue derived from such utilities is not tax revenue but is a voluntary payment by the individual for specific services rendered to him. Such payments cannot properly be considered as part of the "burden of taxation."

—	Amount	Per Capita	Per Capita
		£ s. d.	$ cts.
Debt			
Canada	$ 4,095,417,668	.....	442 46
United States	$ 29,875,045,000	.....	268 57
United Kingdom	£ 8,322,400,000	192 3 8	922 48
Commonwealth of Australia	£ 976,621,203	170 19 1	820 58
New Zealand	£ 246,755,789	184 7 3	884 94
Union of South Africa	£ 212,409,903	134 18 0	647 52
Taxation			
Canada	$ 586,610,650	.....	63 51
United States	$ 7,565,410,540	.....	68 49
United Kingdom	£ 894,603,000	20 13 2	99 36
Commonwealth of Australia	£ 82,520,286	14 8 0	69 22
New Zealand	£ 21,104,188	15 18 10	77 12
Union of South Africa	£ 25,248,343	15 16 5	75 92

STATEMENT OF DEBT AND TAXATION OF ENGLISH-SPEAKING COUNTRIES

NOTE.—Details will be found in the following tables.

—	Amount	Per Capita
CANADA	$	$ cts.
Debt—		
Dominion, March, 1925	†2,431,487,113	259 50
Provincial, 1922	640,404,105	71 63
Municipal, *Ont., Que., Man. only	674,914,368	111 33
Other Provinces (est.)	348,612,082	
Total Debt	4,095,417,668	442 46
Taxation—		
Dominion, March, 1925	294,000,000 (est.)	31 38
Provincial, 1922	62,367,260	6 98
Municipal, *Ont., Que., Man. only	151,490,189	25 15
Other Provinces (est.)	78,753,201	
Total Taxation	586,610,650	63 51

*Three provinces, Ontario, Quebec and Manitoba, compile and publish comprehensive reports on their municipal finances. These three provinces have two-thirds of the population of the Dominion, and the figures for the other provinces are estimated as being the same in proportion to population.

†As per Budget speech of March 24, 1925.

—	Amount	Per Capita
UNITED STATES	$	$ cts.
Debt—		
National—June 30, 1924	21,178,045,000	188 96
State, 1922	936,000,000	8 57
Counties, Municipalities, etc., 1922	7,761,000,000	71 04
Total Debts	29,875,045,000	268 57
Taxation—		
National, 1924	3,340,794,540	29 81
State, 1922	871,413,000	7 98
Local, 1922	3,353,203,000	30 70
Total Taxation	7,565,410,540	68 49

—	Amount	Per Capita	Per Capita
UNITED KINGDOM	£	£ s. d.	$ cts.
Debt—			
Debt, March 31, 1924	7,766,400,000	179–1–10	859 64
Local debt of England and Wales, March, 1921	556,000,000	13–1–10	62 84
Total Debt	8,322,400,000	192–3–8	922 48
Taxation—			
Revenue of National Government from Taxation, March 31, 1924	718,060,000	16–11–8	79 80
Revenue from Local Government from Taxation—England and Wales and Scotland, 1922–23	176,543,000	4–1–6	19 56
Total Taxation	894,603,000	20–13–2	99 36

STATEMENT OF DEBT AND TAXATION OF ENGLISH-SPEAKING COUNTRIES—*Con.*

—	Amount	Per Capita	Per Capita
	£	£ s. d.	$ cts.
COMMONWEALTH OF AUSTRALIA			
Debt—			
Australia, Commonwealth, June, 1924	415,600,079	72- 5- 7	346 94
States of, June, 1923	535,124,442	94- 1- 7	451 58
Municipal Debts, 1922	25,896,682	4-11-11	22 06
Total Debt	976,621,203	170-19-1	820 58
Taxation—			
Revenue of Commonwealth from Taxation, June, 1924	50,852,483	8-16-11	42 46
State Revenue from Taxation, 1922-23	18,739,558	3- 5- 2	15 74
Municipal Revenue from Taxation, 1922	12,928,245	2- 5-11	11 02
Total Taxation	82,520,286	14- 8- 0	69 22
NEW ZEALAND			
Debt—			
Dominion debt, March 31, 1924	208,595,743	154-15- 3	742 86
Local Governing Bodies, March 31, 1923	38,160,046	29-12- 0	142 08
Total Debt	246,755,789	184- 7- 3	884 94
Taxation—			
Dominion revenue from Taxation March 31, 1924	16,540,438	12- 8- 0	58 52
Local Governing Bodies, March, 1923	4,563,750	3-10-10	17 60
Total Taxation	21,104,188	15-18-10	77 12

—	Amount	Per head of European Population†
	£	£ s. d.
UNION OF SOUTH AFRICA		
Debt—		
Net Debt of Union, March 31, 1923	187,180,241	118-18-7
Provincial debt (included in Union debt)	.....	.....
Municipal Debt	25,229,662	15-19-5
Total Debt	212,409,903	134-18-0 or $647 52
Taxation—		
Union, 1924	18,818,000	11-15-0
Provinces	3,738,150	2- 7-4
Municipalities	2,692,193	1-14-1
Total Taxation	25,248,343	15-16-5 or $75 92

† European Population only. The native population is nearly four times as large as the European, but has a very low tax-paying power. The per capita debt for the total population is $142.56 and the per capita taxation, $16.88.

Of course, nobody likes to pay taxes, and it is a catchy appeal to refer to high taxation. I was reading some time ago the words of an eminent English writer, who says that that man is highly educated who pays his taxes gladly. I am afraid that if we were to adopt this test as to education, few of us would qualify.

As regards the banks, I have statistics of all the deposits, but I do not think it is necessary to put those figures on Hansard.

Some gentlemen like to make comparisons with the United States. Well, Sir, first, it is not a fair comparison to make, because Canada was in the war from the very first day; it was not so with the United States. But even disregarding that, I think we stand the comparison pretty well. Three years ago our dollar was worth seventeen cents less than the American dollar; to-day it is just as valuable as the American dollar. The exports of the United States have increased to-day over what they were in pre-war times by 22 per cent; the exports of Canada have increased over what they were in pre-war times by 57 per cent.

Yes, Mr. Speaker, these are difficult times. The waters are stormy, and the strongest vessel has to struggle desperately to keep afloat, but our national ship is going along steadily and safely through the crisis which has disturbed and upset the world. The prophets of disaster may continue to stab themselves and cry out after the manner of an ancient pagan priest, but the economic process will go on its way in Canada towards a condition in which the means of well living will exist for all Canadians. We do not ask the leader of the opposition and hon. gentlemen opposite to help us, it is beyond their virtue, but at least will they not refrain from hindering, hampering and blocking the way? Through you, Mr. Speaker, I say to them "Play the game. Do not push your country back. Keep cheerful, or at least keep still". A very able French public man, whose name has again become prominent recently, was convicted and sentenced to deportation during the war because he was a defeatist—what the French call a defeatist. He was preaching despondency and representing that disaster was looming ahead of the French army. In war time, of course, this is a crime. In these times when all the problems of national and international life are coming together for solution, when the nations are still reeling under disturbances which have been unparalleled in history, defeatism although not a crime is at least a most unfair and unpatriotic system of dealing with one's country.

Now, with regard to the budget they describe it as a standpat budget, and the very

same gentlemen who denounce it as being such are declaring vigorously that we must have stability in tariff matters. What do those worshippers of stability mean? Is not stability standpatism under another name? Does their conception of stability mean only non-interference with the budget when it is a question of lowering the duties, but when it is a question of increasing them then it is still stability? I cannot see any logic or consistency in such a contention. Under freedom only can real stability exist; and those gentlemen are the last in the world to desire freedom in trade matters. A protective tariff is essentially unstable. We hear very often the example of France given to us in that regard, especially by my hon friend for West York (Sir Henry Drayton). France is a high-protection country. Do you think that she has stability in tariff? In France—and I took the figures from a French financial review a few days ago—the tariff of 1892, which was described as possessing stability, was modified 348 times between 1892 and 1908, and the tariff was changed in toto in 1910. From 1916 to January 1, 1923, sixty-five changes have afforded 3,294 modifications in the tariff. Well, I do not think that any serious minded man can claim that this is stability in tariff matters.

What about the amendment proposed by the hon. member for West York? Well, there has been a change of attitude. I remember well our first year after the general election when my hon. friend (Sir Henry Drayton) moved an amendment taking this government to task for not having fulfilled its pledges by reducing the tariff. He did not want, of course, that the tariff should be decreased; on the other hand he was not satisfied with the government for not decreasing it. We were the subject of criticism in any event. "You shall and you shan't, you will and you won't, you will be cursed if you do and you will be cursed if you don't." Then the word "protection" was in every amendment since, but this year it is sweetly eliminated from it. I read the other day that the style adopted in recent years by young ladies of bobbing their hair was going out of fashion. Apparently my hon. friend from West York was not aware of it. His amendment is outrageously bobbed; it is an emasculated political instrument deprived of all virility. My hon. friend from Chambly and Vercheres (Mr. Archambault) said the other day that it was an agglomeration of commonplace platitudes, and I agree with him. I am afraid that my hon. friend next year will move that in the opinion of the House babies are not brought into the world by storks. But if the amendment has not been very illuminating the debate has been illuminating in at least one respect. The very opposite lines of attack against our policy, coming as they do from extreme opposite angles, is the best illustration of the necessity of a middle course, of a policy of compromise trying to harmonize to the largest possible extent the apparently uncompromising attitude of my hon. friends opposite. Indeed the speeches of my hon. friends in one corner of the House are very well answered by the speeches of my hon. friends in the other corner and the first speeches were a reply in advance to those of my hon. friends angularly opposite. The intention to vote against the budget by gentlemen in this House, as expressed in their speeches is for wholly different and contradictory reasons, the one setting forth the extraordinary contention that a country whose territory is as large as the territory of Europe, and which has only nine millions of population spread over that expanse of country, rich in natural resources and wealth of all kinds, may enrich itself by erecting a wall around its boundaries and refusing financial and economic communication with the rest of the world; the other—and I will give my hon. friends of the Progressive party credit for greater sincerity of purpose than I do the official opposition—claiming that an industrial system which has been in force for a large number of years should be subject to a radical and immediate evolution or revolution at a time when normalcy has not yet resumed her position again in the world, and when conditions are most unfavourable to giving changes a fair chance of proving effective and beneficial. Such a conjunction of opposite forces is of a negative and destructive character. If successful it would merely prevent the government from functioning normally and would transform parliament into a crystallized deadlock. It is not a part of our public economy that it should be subject to any party which can paralyse but cannot replace it.

These divergent views show also very strikingly that circumstances and conditions of geography play a large part in determining the fiscal views of communities and individuals. Indeed, only yesterday a gentleman well known in this country, who was Minister of Public Works in the late administration, stated in the city of Toronto that he did not believe any longer in protection, not because of the unsoundness of the doctrine—he did not express any view on that—but because protection was no good for the province of

Nova Scotia. We have a huge country, and we have sectional interests which are not identical and in many cases are widely different. Those who are entrusted with public functions are trustees, not for one class, not for one section of the community, but for the whole people and country of Canada. It is their duty to try to find out the causes of these divergences of interest, and to find if possible the concessions which it may be possible and desirable to obtain. Tariff stability may have its virtue, but national stability is preferable. The decision to be reached may sometimes be a choice of the second best, but then through all history politics have been in the main the acceptance of the second best against the impossible or the ideal. Newspaper editors, professors, or extreme partisans, may be displeased, but the practical man knows that his duty is to deal with practical affairs and not with theories of panic and despair. We need compromise and men of compromise.

Compromise in the sense of avoiding extremes is a truly characteristic British policy. It has made the empire and keeps it together. It is hated by all extremists, either radical or reactionary. I tell you, in all sincerity, Mr. Speaker, the political party of Canada which will inscribe the word "Moderation" on its banner will stand amidst all others, like the rock of Gibraltar. It will be very dangerous and even destructive for this country—and I think everybody will agree with me on that statement—if extreme views on one side were to be followed in the direction of affairs by extreme views on the other side; in that case we would have to stand a succession of economic revolutions and counter-revolutions in this country. Open-mindedness and a recognition of the law of change is part of the Liberal doctrine, and with a reconsideration of policy when required we shall always be ready to face the situation: policies are made for men and not men for policies. May I say to my friends of the Progressive party that I think we have shown where we stand. We have reduced the tariff and have been violently attacked for it. Is it not desirable from the point of view of the advocates of low tariff to let our policy vindicate itself and to show that the high protectionists are wrong when they claim that the loss or decrease of revenue is due to the reduction of the tariff? Surely it is well to give the low tariff a fair trial. Moreover, people should not forget that it is an important and specific phase of our national policy. It is after all one of many thousand other factors that affect our social and national life. The physician diagnoses the disturbance of a single organ and treats it as a correlative part of the whole body. What physicians do governments must do, and I think it is the only successful way.

Another subject about which I wish to say a word is the British preference. It is extraordinary to see the numerous misconceptions and the erroneous notions which exist with regard to this. Why, only recently it was stated in my own city that Sir Wilfrid Laurier had opposed the British preference. No more erroneous statement, of course, can be made. Sir Wilfrid Laurier was the father of the British preference. He pursued that policy to the end of his life, and in the last speech he made before the Eastern Ontario Liberal Association he claimed that that policy had been back of the Liberal party, and he was proud to be able to say that he had been the originator of it. There are some who think it is a sentimental device in the interests of Great Britain and not in the interests of Canada. I do not hesitate to say—and everyone may take down my words—that if such were the case I would be opposed to the British preference. But the British preference has been conceived and carried out in the interests of Canada and Canadians; it is part of the low tariff policy of the Liberal party. The United States have erected a wall against the products of our farms and other products, and we have to find outlets for our trade. Was it not good policy to build up a trade with Great Britain, where our own goods go free? Was it not in the interests of Canada to build up a trade between the Mother Country and ourselves? Have we been the loser by reason of such policy? What has been the result? The very year after a preference was granted, in 1898, our exports to Great Britain increased from $75,000,000 to $100,000,000, and the progression has consistently continued until last year our exports amounted to $361,160,802. At the same time, last year, our imports from Great Britain were more than $153,000,000, a good deal less than half the value of our exports. Are we the losers? We sold Great Britain that $361,000,000 worth of goods without paying one cent in duty. Great Britain has paid us over $28,000,000 in duty on the $150,000,000 of goods which she sold us. Are we the losers? Thirty-five per cent of our exports go to England while we receive from her only seventeen per cent of our imports. I repeat, are we the losers? Our goods are going to England free. Their goods are paying duty when sent to this country.

Now we have heard very much about the boot and shoe industry.

Mr. GRAHAM: Hear, hear.

Mr. LAPOINTE: I observe that my hon. friend says "hear, hear." Yes, I am interested in the boot and shoe industry. It is a very important industry in the county which I have the honour to represent, and which I think I shall have the honour of representing in the next parliament. Our hon. friends opposite have been very strong in their criticism of the government's policy in regard to the boot and shoe industry. Well, the boot and shoe industry is a national one. It is subsidized by purely Canadian capital; its raw material is Canadian; it is indigenous to our country, and it is certainly entitled to sympathetic treatment and encouragement. But are our hon. friends opposite fair in regard to the boot and shoe industry and this government? Is it true that imported boots and shoes are flooding our markets to a much larger degree than before? I am going to make another startling statement, but I will back it up by evidence. There are fewer imports of boots and shoes to-day and there were fewer last year and the year before than in any year during the Conservative administration. I claim the liberty of placing on Hansard the following itemized statement prepared by the Bureau of Statistics of the Department of Trade and Commerce:

1. IMPORTS INTO CANADA, FOR CONSUMPTION, OF BOOTS AND SHOES

(Fiscal years 1905 to 1922)

Periods	Boots and shoes and slippers of all kinds except rubber and leather			Boots and shoes of leather, n.o.p.			Boots and shoes, pegged or wire fastened with unstitched soles, close edged (leather)		
	From United Kingdom	From Other Countries	Total imports	From United Kingdom	From Other Countries	Total imports	From United Kingdom	From Other Countries	Total imports
	$	$	$	$	$	$	$	$	$
Fiscal years ended June 30—									
1905	45,035	69,339	114,374	60,499	1,112,614	1,173,113	.....	.....	.....
1906	41,511	58,829	100,340	66,629	1,216,375	1,283,004	.....	.....	.....
Fiscal years ended Mar. 31—									
1907	47,722	60,914	108,636	73,672	983,928	1,057,600	.....	.....	.....
1908	49,347	61,338	110,685	106,066	1,408,830	1,514,896	13,240	8,491	21,731
1909	43,926	57,997	101,923	127,208	1,143,054	1,270,262	3,842	8,827	12,669
1910	74,840	64,029	138,869	167,687	1,332,359	1,500,046	13,267	9,473	22,740
1911	81,492	45,983	127,475	292,014	1,753,821	2,045,835	22,387	25,464	47,851
1912	84,116	51,430	135,546	356,455	2,415,620	2,772,075	28,330	41,465	69,795
1913	180,250	70,670	250,925	485,755	3,522,750	4,008,505	62,867	40,120	102,987
1914	209,630	108,014	317,644	577,291	3,652,272	4,229,563	83,474	36,550	120,024
1915	169,231	96,673	265,904	491,523	2,909,134	3,400,657	59,692	18,602	78,294
1916	72,723	45,554	118,277	215,538	1,905,159	2,120,697	23,932	11,567	35,499
1917	92,692	168,440	261,132	173,871	3,274,577	3,448,448	5,359	19,152	24,511
1918	102,972	311,850	414,822	146,784	3,017,924	3,164,708	1,603	12,827	14,430
1919	50,681	249,683	300,364	78,994	2,615,112	2,694,106	445	14,972	15,417
1920	71,470	362,792	434,262	94,009	2,617,613	2,711,622	4,211	15,758	19,969
1921	206,406	318,149	524,555	358,451	1,816,758	2,175,209	2,133	22,779	24,912
1922	46,035	197,887	243,922	335,761	991,800	1,327,561	2,867	8,347	11,214
1923	69,297	358,886	428,183	410,273	794,631	1,204,904	4,291	11,539	15,830
1924	140,072	287,225	427,297	707,349	821,838	1,529,187	5,514	11,515	17,029
1925	166,188	155,986	322,174	1,044,693	728,393	1,773,086	6,353	9,470	15,823

This shows that for the year just ended, March 31, 1925, the imports are a little above $2,000,000, and prior to 1921 they were a good deal more. During the years of the war, they were over $3,000,000. In 1914, they were nearly $4,000,000, and in 1913, they were over $3,500,000. As I say, this shows that imports of boots and shoes were larger during every year of the Conservative administration than during the last four years of the Liberal administration. If there are difficulties at the present time, does any hon gentleman claim that that is due to the tariff or to considerable imports? The production of boots and shoes in this country for the year 1923 amounted to a value of $45,596,012. Of course all the reports for 1924 are not in yet, and while they will be available only in the month of May or June, it is expected that the production will be about the same. The production has increased a great deal since pre-war times and the number of manufacturers is as great to-day as it ever was, being 186. In dealing with this problem we must not forget, since the United States tariff is always set before us as an example, that boots and shoes enter the United States free of any duty. Three million pairs of boots and shoes were imported into the United States last year and there does not seem to be any movement to erect a tariff against them. But I repeat, if the industry could be prosperous at a period when imports were larger

than they are to-day, surely the difficulties must be attributed to some other causes. There are many causes, one of them being high railway freight rates, and many manufacturers have told me that this was a great difficulty with which they had to cope.

Mr. CALDWELL: Has the minister any record as to the exports of boots and shoes from Canada to the United States?

Mr. LAPOINTE: I have not those figures with me, but the exports, except during the war, are not of such importance as to merit great consideration. During war time exports were very large, and that may be one of the causes of the present difficulties. Our manufacturers enlarged their plants considerably in order to meet the demands during the war, and now the demand has been greatly reduced. As I have said, high railway freight rates constitute one of the causes of the difficulty, and I hope in that article of consumption which plays such a large part in all families, it will be possible to reduce the rates on our railways. We have tried to meet the difficulty in some other ways. Last year the sales tax was reduced on boots and shoes, and even this year the sales tax is taken off materials which are used in the manufacture of boots and shoes. A reduction in the cost of living and a consequent increase in the purchasing power of consumers, farmers and others, would be another great factor in regard to this industry as in regard to any other industry. When a man cannot afford to buy two pairs of boots for every member of his family, he buys only one pair, and this has its effect on the activities of the trade.

As regards the British preference and just to show how opinions vary as to its effect, I will read to the House a letter which was addressed to my hon. friend, the Acting Minister of Finance (Mr. Robb) by the wholesale hardware merchants of the city of Quebec under date of March 14, 1925, after a resolution had been sent to him requesting the repeal of the British preference:

The Honorable J. A. Robb,
Acting Minister of Finance,
Ottawa, Ont.

Dear Sir,—

We, the undersigned wholesale merchants of this city, who handle in large quantities goods manufactured of iron, steel, brass and copper, would respectfully request your government not to alter the present British preferential tariff on the different lines in which we are interested.

We would like to call your attention to the fact that a great many of the iron and steel goods that we sell are ultimately used by the farmer, who we feel at the present is not in a position to pay any higher prices than he is now obliged to pay on articles of iron or steel that are necessary for his welfare.

Trusting that this petition will receive your favorable consideration,

We have the honour to be,
Yours truly

Samson & Filion,
Per D. Samson.
The Herman Young Co.,
A. J Teakle.
Jos. E. Lemieux Reg'd,
J. A. Fillion.
J. McD. Wilson,
Managing Director,
The Chinic Hardware Co'y.
Wm. Doyle,
Wm. Doyle Reg'd.
H. S. Scott Co. Reg'd,
A. O. Scott.
Mechanics Supply Co. Limited,
Per Guy H. Simpson.
Vice-President and Manager.

I may say, en passant, that some of these names—and my friends from the city of Quebec will recognize them—are not those of particular friends of the Liberal party, but they are in favour of the British preference.

Mr. ARCHAMBAULT: Can my hon. friend state what is the actual policy of the official opposition with regard to the British preference?

Mr. LAPOINTE: I will answer, as the hon. member for George Etienne Cartier (Mr. Jacobs) did the other day, that it is like the wisdom of God, above all comprehension and understanding.

Our natural market is the United States, but we have difficulty of access to it. The United States made us an offer of reciprocity in 1911. We cannot complain because we slammed the door back in the face of the Americans in that year; but we are facing conditions as they are, and we must find other markets. The British preference was one means of finding such a market, and commercial treaties with foreign countries are another means.

4 p.m.

I am sorry that I do not see the familiar and friendly features of my hon. friend from Lincoln (Mr. Chaplin) as I want to say a word or two about the French treaty. Since that treaty was signed in 1922 it has got on his nerves and disturbed his sleep, and I am afraid I have to bear some of the responsibility for shortening the days of the hon. member. Last year he made a strong criticism of the treaty. There is no nicer gentleman in the world than my hon. friend when we meet him privately, but last session I had to point out how unfair he was in criticizing the French treaty, and this session he has made the same mistake. He gives us a list of

articles coming to this country, regarding which he says: They have paid such and such an amount of duty; if there had been no treaty negotiated in 1922 they would have paid a larger amount of duty; consequently the country has lost hundreds of thousands of dollars. Well, in 1922, when this treaty was signed, the general tariff was not applied by Canada to the products of France; but my friend is always basing his calculations on the general tariff. As a matter of fact, there had been a treaty in force since 1908. After the war France notified all nations with which she had treaties that those treaties were terminated. For some time there was no trade agreement between France and Canada, but in 1921 the Minister of Trade and Commerce of the then government, Sir George Foster, entered into another trade agreement with France, which was ratified by this parliament, and under which Canada was applying to all products coming from France the most favourable tariffs that are or may be granted by Canada to the products of any third power except those of the United Kingdom or of the British dominions and possessions. To show what really would happen, I have asked the officers of the Tariff branch of the Finance department to give me a couple of typical items, and they have selected silks and velvets. According to my hon. friend from Lincoln, the country would lose $169,000 on those two items alone. Why, if you base your calculation on the tariff as it was under the agreement entered into by my friends opposite, which was in force in 1922, and was then replaced by the present treaty, instead of losing $169,000 of duties, you will find we have increased our revenue by $30,000. This shows how unfair such a criticism is, and I do not think it should be indulged in.

Now, it may be asked, why was this treaty negotiated and signed when there was that trade agreement in existence. I answer, that it was because the Canadian manufacturers, as represented by the Canadian Manufacturers' Association, were complaining that under that agreement Canadian goods could not enter France on the same basis and under the same conditions as American goods. The treaty was negotiated at the instance of the manufacturers of Canada to give them on French territory the same rights and privileges as those enjoyed by the manufacturers of the United States, and I myself heard representatives of our agricultural implement industry congratulate and thank the government for having given them the privileges which they now enjoy under this treaty.

[Mr. Lapointe.]

There is another criticism by my hon. friend, but for which I cannot blame him, because he based his figures on statistics given by the Department of Customs. He said that last year the balance of trade with France was against us by $5,000,000 or $3,000,000,—I do not remember which. As a matter of fact that is how it appears in the reports issued by the Customs department; but I was surprised to see that the reports as given by the French government for 1924 differ substantially from ours. This will be found in the Commercial Intelligence Journal of April 4:

> The statistics of the French Department of Customs show that during 1924 the commercial relations between Canada and France can be viewed with considerable satisfaction. The value of merchandise exported to Canada almost doubled in 1924 as compared with 1923—333,260,000 francs against 183,457,000 francs. The exports from Canada to France show a total increase of 109,130,000 francs—482,826,000 francs in 1924 against 373,000,000 odd in 1923.

So our exports are still much larger than our imports according to the figures issued by the French government; and surely everybody will admit that France would not show a balance of trade unfavourable to her if she could help it.

Mr. MEIGHEN: Which government is right?

Mr. LAPOINTE: I am coming to the explanation.

Mr. STEVENS: Was the exchange the same in both periods?

Mr. LAPOINTE: There was not any very great difference. This is the reason for the discrepancy between the French and the Canadian figures as given to me by the Finance department. I am advised that of late, especially from Vancouver, owing to the length of the voyage, cargoes are cleared for Britain and attributed in the figures of the Customs department to Britain, but the ships wait for orders as to where they should proceed and unload. The customs papers credit those cargoes to British exports, while in many cases they are actually French or Belgian or those of other European countries. I do not know whether it is possible to prevent that sort of thing, but if it is, it is certainly most desirable to do so, for even when ships are cleared apparently for Britain we ought to have means of knowing where in reality the final orders will direct the ships to unload.

Mr. MEIGHEN: Can the minister say who gives that explanation? I do not think it can possibly be correct.

Mr. LAPOINTE: Mr. Russell. He is the tariff officer in the Department of Finance.

Mr. MEIGHEN: Surely the minister does not suggest that our trade figures are built up upon the basis of the immediate destination of a ship? If so, they are all pure fiction.

Mr. LAPOINTE: I think our trade figures, as given by the Customs department, are according to the clearance of the ship.

Mr. MEIGHEN: Oh, no.

Mr. LAPOINTE: That is what I am told by the officers.

Mr. STEVENS: Would not the invoices and the manifests show the destination or the origin, as the case may be, of the goods, and are not these documents submitted in duplicate or triplicate form for the customs officers at the point of unloading?

Mr. LAPOINTE: My hon. friend knows—

Mr. STEVENS: That is so undoubtedly.

Mr. LAPOINTE: —I am not acquainted with that part of it at all. But I am told that owing to the length of the voyage and because of the fluctuation of prices during the twenty or twenty-four days that the ship takes going to Europe by the Panama canal, large quantities of goods are virtually shipped without the final destination being given. But I am giving the explanation as it is given to me. At all events the figures of the French government giving the quantity of imports from Canada should, I think, be relied on.

Now, I hasten to conclude my remarks. In commercial and economic as well as other matters our policy is dictated exclusively by the interests of Canada. Conditions are not what they were in 1878, when the so-called National Policy was launched. There was no west at that time. We have now four different and separate sections, and the true Canadian policy must consider all the interests and divergences of interest of all those sections. We cannot compare our conditions with those of homogeneous countries which are small in territory and uniform in interest; still less can we compare our situation with that of the United States, which though a protectionist country to all outside appearances, is really enjoying free trade among various states having an aggregate population of over 110,000,000. Arguments with regard to the home market which may be valuable there are preposterous in Canada; and to call "national" a policy which has the effect of selling Canadian goods cheaper to the inhabitants of the antipodes than to our own citizens is not sensible, in my judgment. The true national policy is one that will permit all Canadians to live and will give equal justice to all. That equal justice, I am afraid, cannot come from those who want everything their own way without considering the interests of others. It cannot come from any party which is eastern or western in its character and which policy appeals only to one or the other of our great geographical sections. How many times did we hear the suggestion made by different people in eastern Canada that Quebec and Ontario should unite against the activities of the west? Sir, I would rather see the Liberal party and the government of which I am a member go down to defeat than attain an ephemeral success, an inglorious victory, by such nefarious methods. I believe in Canada, in the whole of Canada, Canada for Canadians is a splendid policy, but it must be Canada for all Canadians, not for any privileged section of the people.

Mr. R. V. LeSUEUR (West Lambton): Mr. Speaker, I believe I should first relieve the Minister of Justice (Mr. Lapointe) of an apprehension which is apparently worrying him by stating at once that I am not a pessimist and that I have no desire to spread blue ruin. I believe that statement may be applied with equal force to all other hon. members sitting in this section of the House. In fact, I can assure the hon. Minister of Justice that we are essentially optimistic here and that our optimism grows every day as the election approaches.

I can say this also, Mr. Speaker: that being optimistic I would be just as happy as the Acting Minister of Finance (Mr. Robb) could possibly be if conditions in Canada to-day permitted the people to practically forget the budget. But unfortunately that is not the case and the budget to-day remains the most important, the most eagerly awaited, and the most carefully studied pronouncement that the government makes during the session. For the same reason the office of Minister of Finance remains of an importance fully equal to that of the office of Prime Minister. I have no desire to detract from the prestige of that office, but frankly I get no satisfaction from the conditions which contribute so largely to that importance. I refer to the difficult financial situation and to the difficult financial problems which to-day face this country and to the prolonged continuance of the depression or readjustment, whichever you like to call it, which this country has been undergoing for the last four years, a

depression or readjustment which is accentuated by the burden of still unreduced war time taxes. Sometimes, Sir, I fear that we have but a vague and hazy realization of our position. I believe the Minister of Finance (Mr. Fielding) fully appraised the situation and that it fairly bewildered him. I believe that the ever-present weight of the problems connected with that situation contributed in no small degree to his ill-health, and for the sacrifice he made in that respect this Dominion owes him a great obligation.

I would like first to glance briefly at our trade conditions; and I may add that I do so partly on account of the divergence of opinion which exists in that regard, and partly in order to serve as a basis for my later remarks. The remarks of the Minister of Justice amply illustrate the divergence which prevails on this question. I shall endeavour to get a reasonably accurate view of it and to base my conclusion, so far as that is possible, on fundamental facts which must be admitted; then I shall see if we cannot arrive at some remedies which will apply to our present difficulties.

First, we should keep in mind the fact that the last years of the war and the year or so thereafter produced a period of industrial expansion and considerable inflation. Immediately following that we had a period of depression which spread like a great pall over the whole civilized world. That period was marked by a recession in wages and in the standard of living which varied greatly in degree in the various countries affected. It was also marked by a rapid and uneven depreciation in currency and by a wild and uneven fluctuation in exchange. In view of these chaotic and highly irregular conditions in the various trading countries certain nations immediately took aggressive steps to protect their nationals. I want to deal briefly with this phase of the subject by way of following up to some extent what I said last year. France, we know, immediately increased her tariff to the highest point in her history. France has since that time been blessed with an expanding prosperity, her basic industries showing a marked increase and reaching to-day perhaps the highest point in her history. Her internal and external trade alike are at a pinnacle at the present time, and unemployment is unknown. I know some hon. member will have in mind the fact of the supposed recent financial difficulty in France. But I may explain that that was a proposal to increase the arbitrary limit which had been set to the note issue of the Bank of France from 41 milliards to 45 milliards. That increase, however, was purely a financial measure to give further elasticity to their currency and enable it to meet the expanding demands of trade. That is the view taken in financial circles, I may say, and is fully explained in a very recent number of the London Statist.

The United States likewise took drastic and immediate measures in the depression of 1921 to protect her internal industrial life against what I have described as the chaotic and highly irregular trade conditions existing in other countries She had a most remarkable recovery and enjoyed ever increasing prosperity from about the first part of 1922 to possibly the end of the first quarter in 1924. At that time her trade had a recession, but since September, 1924, and especially since she was reassured of a continuance of her strong and stable fiscal policy on November 4, 1924, the United States has recovered remarkably from the recession which she experienced in the second and third quarters of that year. The last number, the April issue, of the Federal Reserve Bulletin is clear evidence of that. It shows clearly that her production in basic industries is materially greater in January of 1925 than it was in January of 1924, and is materially higher than it was in the low quarters of 1924. Likewise her production in minerals, her manufacturing production and her agricultural movements are all greater. If we turn to her bank statements we find that the current loans for this January are much in excess of the current loans of the year before. Her bank debits are likewise higher, and her time deposits have correspondingly decreased, showing an increased activity in trade. I believe that is one of the best criterions. When you have larger current loans and smaller time deposits you know that the money is in circulation, being used in business, and that you have then greater business activity. I could take up other points in the United States, but I will point my remarks as to their prosperous condition by the statement of Andrew W. Mellon, that wizard of finance to whom the United States is so much obligated, and whose statements are generally regarded as those of a business man and not of a politician. He prophesies a continuance of good conditions in the United States, and says that present conditions are fundamentally sound.

Now if we look at conditions as they exist in Canada to-day, we realize that Canada suffered from the same depression in 1921, and that such depression continued with more or less unvarying monotony during the years 1922 and 1923; that in the early part of 1924 there

were signs of a recovery from our depression, but 1924 unfortunately did not fulfil those hopes, and we had through the greater part of 1924 an even worse trade condition than we had previously. Now I am glad to say that the early months of this year have shown signs of improvement. We have improved from the low point of 1924, so far as I can judge, but I doubt very much if we have yet come to the point where we were in the first quarter of 1924. In judging of that condition, let us look first at our bank statements. We find that the current loans in our banks declined from an average of $938,000,000 in December to an average of about $908,000,000 in February. We must allow for seasonal fluctuation, because December represents possibly our busiest retail trade. But we find that February of this year is about $80,000,000 less than February of last year. If we take our bank debits, almost the same condition prevails. In March our bank debits show a slight improvement over March of last year, but the general result of the quarter is lower than the first quarter of last year. I might say that our time deposits, corresponding to what we find in our loans and debits, show an increase in the first three months of this year, showing that our people are putting their money in the banks on a time basis and business is quiet. Our time deposits again are greater than they were in the first quarter of last year. So it all goes to show that business activity, while it is possibly improving at the present time, is still considerably below what it was in the first quarter of 1924, which was a period of depression. I might also take up the question of our basic industries. In our basic industries production is also showing signs of improvement, especially in March, but allowing for seasonal fluctuation the general conclusion must be very nearly the same as is to be drawn from our bank statements, namely, that while we are showing signs of improvement we are still below our condition of 1924. I might take up the question of employment and find out just how we stand there. Taking January, 1920, as our index we find that our employment on March 1, 1923, was 89.9 per cent; on March 1, 1924, 90.7 per cent, and on March 1, of this year, 87 per cent, or about 3 per cent lower than for the corresponding period in either of the years 1923 or 1924. In this regard I might refer to some of the detailed statements which were placed on Hansard referring to specific industries by the hon. Minister of Labour (Mr. Murdock). I note, for instance, that he speaks of the employment in some 47 mills engaged in the manufacture of woollen yarn and cloth. This table shows that the numbers employed in 1925, while gradually increasing, are less than the numbers employed in the same months in each of the years 1922, 1923 and 1924, exactly proving what I have stated. If we turn to his figures with regard to the boot and shoe industry, in which he takes 91 manufacturers as his test, we find exactly the same thing, that the employment in 1925, while improving, is still below the numbers employed in the years 1922, 1923 and 1924. I may add that I do not think any of the tables presented by the hon. Minister of Labour in his address to this House contradict or even reflect on the conclusion to which I have come. If he were here, I would ask him to point out any that did conflict, because I have gone carefully through them and I believe they are all in accord.

Before I leave the remarks of the Minister of Labour, I would like to point out one thing, and that is that he gives two tables with regard to the boot and shoe industry, one on page 2002 of Hansard, in which he sets forth for 1923, 189 establishments, with 12,439 wage earners, and a product value of practically $45,000,000, and then on the next page, for the same industry and the same year he sets forth the number of establishments as 121, the number of employees 10,903, and the value of production $36,000,000 odd. Now, without adequate explanation these two tables are certainly most confusing, and in the minister's statement there is no explanation. Both tables are under the same headings and are for the same years, and show diametrically opposed figures. The minister must either explain that, or we can only conclude that he has disproved in the latter part of his speech what he attempted to prove in the earlier part.

Now, I believe that the more or less fundamental facts which I have given form a sufficient basis for the conclusion at which I have arrived, namely, that our condition is gradually improving and has improved from the low point of 1924, but that we are still suffering from a marked depression, and that that depression is as yet below what it was in the first quarter of 1924. Furthermore we have no clear and definite signs as to when this period of readjustment will end, or that we are going to continue improving and come back to normalcy.

Before leaving the subject of trade conditions I should like to indicate two conclusions which to my mind are obvious. The first is that the actual results and facts have shown that France and the United States were wise in their action in protecting their internal industries against outside chaotic conditions.

By reason of that protection France has enjoyed tremendous prosperity and could to-day, I believe, without serious injury to her nationals increase her taxation. The United States has likewise prospered largely by reason of adopting the same measures, and has been enabled, largely on that account, to decrease her taxation and reduce her war debt. The second conclusion which appears to me obvious is this: It is inconceivable, at least to me, how in the face of our present trade depression, and with no clear and definite signs of a recovery from that depression, we can claim that we are enjoying great prosperity. I am firmly persuaded that a stable fiscal policy, administered with the advice of a competent tariff board, is a primary factor in the recovery of our country. I would further say that we should not endeavour to spread a measure of optimism among our people by unduly optimistic statements. The better way to proceed would be to inaugurate a campaign of intensive economy as to which I shall have some suggestions to offer, and a rigid reduction of expenditures, apart altogether from political considerations. One of the greatest grounds for confidence and one of the greatest factors in inspiring confidence is when a business in times of stress cuts its expenditure to the bone even to the smallest items. Such a course inspires confidence among the people connected with that industry, and not indulgence in unduly optimistic talk.

Mr. CARRUTHERS: Would the hon. member permit me a question before he leaves that point? He has spoken of the prosperity of France. Would he explain how that country is more prosperous than Canada when the value of the franc is at such a low figure whereas our dollar is at par?

Mr. LeSUEUR: In answer to my hon. friend I would say that if you study the rates of the exchange for the franc during the last year you will find that the franc has remained practically stable at its present rate of exchange. You may say that the value of the franc has been stabilized at that figure, and has remained there for a very considerable time past.

Now, let us look at the question of expenditure, and in order to get possibly a broader and truer conception of our present financial status, I should like to consider not only the last budget but a few preceding budgets. But before doing that let me refer to the question of the guaranteed railway bonds brought up by the hon. Minister of Justice. I can say that so far as I am concerned in this discussion it is of very little concern to me whether we call the bonds which are guaranteed and from time to time floated on the security of the Dominion direct obligations or indirect obligations. The substantial nature and the incidence of our railway obligations make them as direct a burden on this Dominion as our so-called direct obligations, no matter what difference in name we may adopt, and while, to avoid argument, I am calling our railway Dominion-guaranteed debts indirect obligations, I am treating both our so-called indirect and our direct obligations as equally active and equally proximate in their burden.

Let me illustrate why this must be the case. For some years back our railways have required a certain amount of money each year. Prior to 1924 it appears to have been the practice to advance the greater part or the whole of the railway requirements in cash, and to meet either a small amount or none at all of those requirements by the issue of bonds guaranteed by the government. Since the year 1924 we have advanced a smaller proportion of the requirements of the National railway system in cash, and a greater proportion by way of bonds guaranteed by the Dominion. For example, in 1923 our railways required about $77,863,000. All that amount was advanced in cash to the system and naturally it appeared in our balance sheet as affecting the direct public debt. In the year 1925 our railways required 82 millions and some odd thousand dollars. Of that amount $18,000,000 or thereabouts was advanced by way of cash and of course appeared as directly affecting our public debt. The balance of $64,000,000 or thereabouts, was raised by bonds guaranteed by the Dominion and then handed over to the railway system and appears as an indirect obligation. The substance was the same; only the form was different. It is merely a matter of convenience with the Acting Minister of Finance as to whether he raises the money by way of guaranteed bonds and hands it over to the railways, or makes direct advances to them in cash. Now proceeding on that basis, and including the cash advanced to the National Railways and the money secured for them by guaranteeing their bonds, we find that our total expenditures were for the year 1923 about $434,000,000; in 1924, about $420,000,000; and in 1925, about $426,000,000. If we go further and look at the estimates for the coming year ending March 31, 1926, we find that the estimates for ordinary and net capital expenditures and the requirements of the National Railways as tabled this year represent about $409,878,039. If we add to that an amount for special expenditure equal to what

was paid out therefor in the year just closed, and also allow, say, $10,000,000 for supplementary estimates which are yet to come down, we have an expenditure for the coming year of approximately $424,000,000 or $425,000,000. My point is that our total expenditures have been running more or less the same for three or four years past, and it looks as if they will be the same in the coming year.

Now then let us look at the details of those expenditures. We naturally expect that such expenditures as pensions, Soldiers' Civil Re-establishment and so on, will, by their very nature, and apart from legislative addition, decrease year by year. Such is actually the case. The interest charge on our public debt we would also expect to decrease gradually year by year. Money is now more plentiful and interest lower than when that debt was incurred, and with each refunding operation we can expect a reduction. Such is actually taking place. From $137,000,000 in 1923 our interest charge is now $131,000,000, or a saving of about $6,000,000. Likewise in our expenditure for Soldiers' Civil Re-establishment we can expect a gradual and automatic decrease. From about $13,365,000 in 1923 it has dropped to $8,340,000, or a saving of about $5,000,000. Likewise our expenditure for the adjustment of war claims has dropped from $6,784,000 in 1923 to practically nothing to-day. But outside of these expenditures, which are legacies from the war, which must naturally decrease as we get further and further from the war, the expenditure in what is properly civil government remains to-day practically the same as it has been for the three or four years back. For the purpose of illustrating this I have prepared a table taken from the Public Accounts of the years 1922, 1923 and 1924, and based on the estimates which are tabled for the years 1925 and 1926. I might go through the whole list, but with the permission of the House I will place it on Hansard:

	1922	1923	1924	1925 (based on estimates submitted to House)	1926 (based on estimates submitted to House)
Agriculture	$ 6,758,636	$ 7,169,381	$ 7,787,107	$ 6,809,085	$ 6,703,855
Customs and Excise	8,250,557	7,779,930	8,017,227	10,052,315	10,688,259
Finance	8,017,371 (1)	4,895,906	4,905,754	.....	.....
Immigration and Colonization	2,052,370	2,354,975	3,482,986	4,101,235	3,393,770
Indian Affairs	3,217,108	3,306,232	3,830,690	3,827,058	3,779,516
Interior	7,097,341	6,897,912	6,947,575	.....	.....
Justice	4,113,893	4,191,729	4,252,565	4,111,298	4,073,855
Labour	1,884,933 (2)	2,209,631	1,429,274	1,641,715	1,610,930
Legislation	3,941,747 (3)	2,653,566	2,367,036	2,378,713	2,288,863
Marine and Fisheries	6,518,302	6,316,077	7,345,975	8,612,774	8,502,370
Post Office	32,003,188	31,180,814	31,733,351	32,797,725	32,593,363
Public Works	12,855,082	12,078,280	14,034,923	15,633,652	14,060,610
Railways and Canals	14,504,973 (4)	15,350,295	7,945,908	3,740,501 (6)	3,814,929 (6)
Trade and Commerce	5,939,101 (5)	4,641,851	5,075,022	5,210,763	4,401,870

Note 1. This figure $8,017,371 includes costs of loan flotation $3,302,674. Cost of loan flotation for 1923 and 1924 were $3,065,095 and $7,705,543 respectively, though they are not included under this heading of Finance in above figures for 1923 and 1924.

Note 2. These figures include $500,000 spent in relief of unemployment in 1922, $944,877 in 1923, and $4,273 in 1924, which accounts for their variance. Nothing is included for relief of unemployment in the estimates of 1925 and 1926.

Note 3. This figure includes the cost of the 1921 Dominion elections—$1,739,988—which accounts for the variance between the years.

Note 4. The figures for 1922 include $6,326,800 paid to Canadian Government Railway system to make up deficiency in receipts to meet working expenses; the figures for 1923 include $5,695,609 paid for same reason; no such sum paid in 1924. This accounts for the variance between the years.

Note 5. The figures for 1922 include cost of Dominion Census of 1921 which was $1,664,088.

Note 6. These figures do not include any expenditures under Canada Highways Act 1919, which in 1924 was $4,066,210.14.

It will be observed by one who reads these figures that there is no appreciable difference in the expenditures of the various departments during the period covered. Some variance of expenditures in the above years may appear in these tables, but they are explained as noted on the table as being for special items, such as Dominion census or Dominion election and so on. The point that the above facts and this table bring to the attention of hon. members is that the only material reductions which have been made are in those legacies or burdens which we have derived from the war which have automatically decreased, and that in all other departments our expenditures remain at practically the same level. This I say is essentially wrong, and I maintain that we should make a very aggressive attack on the expenditures

of the several departments of our government. Let us now look for a minute at the revenues we are collecting. They are as follows:

1922.. .. .. About	$381,000,000
1923..	394,000,000
1924..	397,000,000
1925..	344,000,000

In that $344,000,000 I am not including the $4,000,000 which we received by way of bonds in lieu of back interest. If we treat that merely as a better security for interest already due, then we should not include it. If we treat it as a receipt then our receipts would be about $348,000,000. I have not seen any estimates for 1926, but if the government expect to get a revenue more or less equal to that of the year 1924, namely $397,000,000, then allowing for the reduction in revenue of $24,000,000 made in the 1924 budget, we have left $373,000,000, or a deficit of nearly $51,000,000; and if we look to our greatest revenue, which was in 1920, of about $434,000,000, and again allowing for the reduction of $24,000,000 as provided for in the budget of 1924, even then we have a deficit, and I would point out that the year 1920, was a year of great boom and inflation, a condition we cannot hope to have recur in 1926.

Let us look at three or four of the salient or outstanding features which obtrude themselves from this statement of facts. In the first place we should note that the war is over and has been over for six years, but that we are still collecting practically full war taxes. The revenue received from these extraordinary taxes, such as income war tax, stamp tax, sales tax and other nuisance taxes, would run about $181,000,000 for 1923, $182,000,000 for 1924, and possibly about $150,000,000 for this year. But we are still collecting all these war taxes, while the war has been past these six years, and we are still piling up deficits. Our direct and indirect obligations are still mounting, and have increased in the last three or four years about $150,000,000. This is in marked contrast with the United States.

Mr. MARLER: Allow me to contradict my hon. friend. It is not $150,000,000 in the last three years. If refundings are taken off my hon. friend would find it about $100,000,000.

Mr. MEIGHEN: No.

Mr. LeSUEUR: I think $150,000,000 is the right figure, without refunding.

Mr. MARLER: No. If my hon. friend will take the direct and indirect obligations less refunding, it would not amount to that sum.

[Mr. LeSueur.]

Mr. LeSUEUR: I must say I still maintain my figure of $150,000,000, which was figured carefully on the basis which I mentioned when I set out to discuss this matter.

Mr. MARLER: My hon. friend is not right.

Mr. LeSUEUR: It is also in marked contrast, as I have said, with the condition in the United States where they have not only reduced their taxation one-half, but reduced their debt. Similarly it is in marked contrast with conditions in Great Britain.

The second point which, I think, we should note in our situation is that a large part of our debt is uncontrollable. We have, on our direct debt, annual interest charges of about $131,000,000. We have on our debt guaranteed for the railways, that is to the public, annual interest charges of about $40,000,000. Then we have other matters such as our war pensions and so forth. But I do not think that the amount of our uncontrollable expenditure is any excuse for not making reductions in our expenditures nor is it any cause for pessimism; if we look at the United States and Great Britain we find that their uncontrollable debt three years ago was practically in the same proportion. In Great Britain in 1923, for interest on their war debt, or rather on their total debt, and for pensions, they paid out about £460,000,000, and their total expenditure for that year was about £812,000,000. In the United States, according to the Bureau of the Budget, their uncontrollable expenditures for 1923 were $2,100,000,000 and their controllable expenditure was $1,765,000,000. Therefore, I say the figures in our case are no excuse or reason for discouragement.

Third, can we get over our difficulty by increasing taxation? There is not the slightest chance of either increasing the rate of our direct taxation or imposing new direct taxes. It has been well said that a tax is the forcible exaction by the state of a portion of the earnings of the individual for public purposes and taxation is beneficial only when the state can spend that money collectively to better advantage than the individual can handle it by saving it or spending it. That is pretty much the basis of taxation and our industries today are suffering from heavy taxation. They are possibly being hindered from making a better recovery than they otherwise would, and we can safely conclude that we cannot get relief for our financial position by increasing our rate of direct taxation or by imposing new direct taxes.

The fourth point I would like to make is this: What effect is this situation going to have on our public credit? The Acting Min-

ister of Finance (Mr. Robb) says that our public credit is better than it ever was before. I have some reason to doubt the correctness of that statement. Public credit depends upon a continued policy of gradually reducing the public debt and keeping our expenditures within our income. While this may not have touched our public credit as yet, if we go on piling up deficits or having our expenditures greater than our receipts ,and sitting helplessly by or drifting along, a time will come when it certainly will impair our credit.

5 p.m.

Now, at what point have we arrived? Our total yearly expenditures are not being reduced; our annual revenue cannot be increased by higher taxation; and our deficits are piling up. When I say "deficits," I refer to the total of our direct and indirect obligations, for which we are equally liable. The question is: What are we to do? There is no use in drifting along idly. There is no use in waiting for better times or for Providence to help us out, because Providence helps those who help themselves. We should take aggressive measures to handle this situation and not be dependent upon Providence to save the country. What should we do? I am not a prophet, but I am going to venture some suggestions which, although I do not insist they are correct, I offer to the House for their consideration.

In the first place, we should adopt uniform and up-to-date business methods and principles in handling the routine affairs of government, as if it were a great business corporation, and political considerations should be absolutely tabooed. For the purpose of illustrating exactly what I mean, I am going to ask hon. members to follow me in discussing the means taken in the United States to reduce expenditures and to bring about economy and business methods.

About the beginning of their fiscal year, 1922, the United States government decided that, in the interests of their people and for the purpose of reducing taxation, an aggressive campaign of economy must be instituted. The Bureau of the Budget was formed and the United States were singularly fortunate to have at that time the gentleman whom I have named, Andrew W. Mellon, as their treasurer. They were also fortunate in securing the services of Charles G. Dawes, as director of that bureau. Mr. Dawes has since gained a world-wide reputation in his adjustment of European matters. He gathered about him a number of business men who served on the dollar-a-year basis, and with their help he enunciated two principles which served as the main principles of the bureau. The first principle was that the bureau should review the expenditures of the various departments, and in conjunction with each department should then eliminate all expenses which could be reasonably eliminated or should postpone any expenditures which could be reasonably postponed. The second principle consisted, in the formation of a number of co-ordinating boards, composed almost entirely of members of the civil service. They were really inter-departmental committees with a practical business man, in most cases, at their head. The objects of those co-ordinating boards or inter-departmental committees were to eliminate waste and duplication, to infuse economy throughout the civil service, and so to co-ordinate matters as to get team play between the various departments. Of course, their principal object was the installing of uniform and up-to-date business principles in the routine business of the government. I might say that some of these boards were: Board on Printing, Board on Traffic, Purchasing Board, Board of Contracts and Adjustment, and a number of other boards of more or less similar nature. I will illustrate how these co-ordinating boards work by using two examples. For instance, the printing board functions under the chairman or head of the Bureau of Printing and Engraving, Mr. Carter. That board first endeavoured to co-ordinate, and did co-ordinate, the printing work of the various departments so as to eliminate as far as possible what is known as "rush work". Rush work costs about twenty per cent more than ordinary work. They next largely eliminated the expense involved in what is called "author's corrections" which is quite a heavy item in a big government expenditure. By co-ordinating and watching the work of the various departments they largely eliminated these "author's corrections". Then they established a style manual for the various departments; they established standard blank forms; a standard of quality, weight and size of letter heads to be used for the various departments; they cut down the use of embossed paper as much as possible. Further, they looked into the number of annual reports printed and eliminated a large number which they considered absolutely unessential. In that item alone I understand they saved about $180,000 a year. They took up the question of mimeographing, multigraphing and printing considering where economy in one commenced or where it ceased in the other, and by arranging a proper point where mimeographing should stop and printing commence they

saved large sums of money. It is estimated that the Board on Printing, in conjunction with reforms made in the bureau of Engraving and Printing itself, saved over a million dollars a year.

Then let me refer to their purchasing board. This board, composed, as I have said, of members of the different branches of the civil service which were particularly concerned, established a sort of clearing house whereby orders from the various departments could be cleared, and thus avoid as far as possible the purchase of new material when it was not necessary. They established the practice of buying in carload lots f.o.b. factory, they established the practice of definite quantity purchases; and according to their report they saved in a great many of the principal items so purchased from 8 to 25 per cent on the old method of doing business. In the post office department they saved 15 per cent on the paper purchased; they saved 25 per cent on stationery, and on what they called "miscellaneous items" they saved 11 per cent. Those are the figures presented in the 1924 report of the Bureau of the Budget. This will give hon. members some idea of the saving effected by co-ordinating the routine business of government. To bring it home, I would say that the director of the bureau of the budget reported in the first eight months' operation of that bureau a saving in the routine business of government of about $250,000,000. Further: At the opening of 1923 the estimated expenditures of the United States government were some $823,000,000 over their estimated revenues. The problem was put up to the bureau of the budget to eliminate that difference. In the first seven months of that year the bureau saved $321,000,000. In the same period the receipts exceeded expectations by some $408,000,000. In the remaining months of the year the bureau of the budget saved further money; receipts increased; and instead of a deficit of $823,000,000 the United States had a handsome surplus at the end of the year.

There is another side to this question of co-ordinating government routine business, and that is that the work of those co-ordinating boards, composed, as I have said, of civil servants themselves, shows that there was transfused something of the idea of economy throughout the whole service. General Lord, who succeeded General Dawes as the director of the budget, when speaking of the effect of these boards in inculcating the idea of economy throughout the whole civil service, read as an illustration certain letters which he had received. Here is a letter from a fireman:

[Mr. LeSueur.]

> I, —— ——, filling position of fireman and drawing laborer pay, I save the diferance between maximent pay of fireman and manuel laborer; then i am economical with materrel; and also assisted in planing the change of grate in boilers which saves quite a bit of coal, which means dolars.

General Lord, commenting on this letter, said:

> By making the change in the grates in the boilers in this particular plant 400 tons of coal a year was saved.

He quotes another letter, this time from a caretaker, who says:

> By using brooms longer than others would have used them, I have save 4 brooms. In a similar manner I have saved 4 mops, 3 dust pans, 3 brushes, 60 cakes soap, 40 ‡ washing powder. Now saving 30 lb. ice per day. (Signed).

General Lord also quotes this letter from a truck driver:

> I, —— ——, do make this statement, that I have keep the foard truck in good condision and keep it bissy at work and keep the men all bissy and seen that there was nothen wasted during the time to the best of my knowledge.

I quote these letters, Mr. Speaker, as showing some evidence of the spirit of economy which these boards, composed of civil servants themselves, managed to infuse in the personnel of the whole service.

Now as to the work of these co-ordinating boards. We know what happened in the government expenditures of the United States, how those expenditures were cut and trimmed, and how to-day, largely as the result of the work of those boards, the civil service at Washington is being readjusted and the departments are being rearranged and grouped so as to get the most economical result. I should like to read, as more or less proof of what I have said, the conclusions arrived at by President Coolidge and by General Lord on the work of those boards. In the course of an address in 1923, President Coolidge said:

> These co-ordinating agencies are accomplishing the purpose for which they were created, to provide machinery through which to co-ordinate the activities of the departments and establishments so as to guarantee the most provident and efficient expenditure of public moneys, and to furnish the executive an agency for imposing a unified, concerted plan of governmental routine business. The results attained show how admirably these important agencies are functioning. They are performing a most important part in the task of developing team work, instituting economies and applying business principles to government routine operations.

And General Lord said:

> My study of the activities of these organizations impresses me more and more with the indispensable part they play in carrying out any effective policy of economy with efficiency, and deepens my admiration of the wisdom and foresight of the first Director of the Bureau of the Budget (Mr. Dawes) to whose wisdom we are indebted for their creation. Without

them team work in the government would be impossible, and an organization without team work is in sorry plight.

Now, turning to our own situation in Canada the question naturally arises: Is this system applicable to our own government expenditures, which are much smaller, and to our own government system, which is much simpler? I do not think it is really necessary for me to answer that question; I think hon. members realize that the answer is yes. But in relation to it, I should like to read a few statements made by the Anditor General in the introductory remarks to his last general report. He points out that by cutting down the size of his report and without eliminating any material information there was effected a saving of some $6,000 in printing alone. I would like also to read something which he says on page 22:

> In conclusion, though I am not in a position, under present conditions, to make a thorough examination of the system of accounting in the various departments, still I am convinced that the conditions in the government services would benefit considerably by the application, more generally, of modern methods of accounting.
>
> Standardized methods have the effect, when strictly applied, of creating a greater degree of uniformity, coordination and co-operation with correspondingly more complete control of existing and prospective revenue and of expenditure and also of providing a better grasp of the general situation with regard to operations and affairs through reports showing more clearly and completely the various phases of the national finances.

And further:

> The sooner attention is given this matter the better, as the system of accounting and auditing called for by the great development of the Dominion should be the last word in efficiency and this it seems to me would result in economy and subsequent reduction in the present burden of the taxpayers of this country.

I want to say here that in our civil service we have a great many men of marked ability, and I believe we will find, both in the chiefs and in the staffs of the departments, men who are just as patriotic, just as eager to co-ordinate, just as eager to economize, as were found among the civil servants of the United States. I would go further: I believe our civil service throughout the country is just as eager to co-operate in such an economy campaign as I have explained as were the United States civil servants, and I am confident that if some such system as the one I have just described was adopted we would get real results. The point is, however, that the civil servants cannot themselves initiate the campaign. We have heard a great many criticisms of our civil service, but any system or campaign of the kind I have mentioned must be instituted by the government, not by the civil service; the government must take the initiative and bring in these reforms.

Turning to my second step towards reducing our expenditures, I would say we should eliminate all expenditures which we reasonably can eliminate and postpone all that can be postponed until our financial situation is thoroughly sound. It is not necessary to elucidate this statement, but I believe if such a principle had been applied, if we had kept in mind that our depression could be materially relieved by a reduction of taxes, and to that end expenditures must be reduced, it being impossible to increase our revenue we would not have seen $600,000 spent on the completion of the tower in this building; would not have seen 40,000,000 francs expended on the Scribe hotel property, nor would a great deal of money we have expended on commissions have been spent in that way. A great many of these commissions are still operating, but up to date no real result has come from any of them.

I may just add in passing that this economy campaign is not confined to the United States, they have had a similar campaign in Great Britain. An economy committee was appointed in 1921 under Sir Eric Geddes, and that committee has made three reports. In the civil government, as they call it there, which embraces all their civil departments, they have effected a reduction in the last three years, I believe, of about £200,000,000— a marvellous accomplishment, and the result largely of the work of the economy committee in co-operation with the departments.

I should like to deal for a moment with our railway situation, which has been discussed by several members of the House. I am thoroughly in accord with the suggestion that the government should investigate and develop the idea of amalgamating the roads. Present conditions make that an imperative duty on the part of the government. One section of the members of the House believe that the Canadian Pacific railway system should take over the Canadian National railways. We must remember in that connection that the Canadian Pacific is a very efficiently managed road; that during a time of depression they have not only paid their fixed charges, the interest on their preferred stock and the usual dividends, but have had a considerable surplus. They have been able to compete in times of depression with the National Railways while the latter were delving deeply into the national treasury to keep the system in an efficient state and in the position of a strong competitor. Naturally under these conditions the Canadian Pacific will endeavour to protect its shareholders in connection with any proposed assumption of the extra burden of the National

system. I agree with some hon. members that the people of Canada will very carefully scrutinize any agreement which is proposed whereby the Canadian Pacific are to take over the Canadian National Railways; in fact, it is possible that no matter what terms that agreement may contain the people would be very chary about accepting it and that even if the powers of the railway board were increased as a measure of protection. On the other hand, other hon. members suggest that the Canadian National Railways should take over the Canadian Pacific. I do not think that that is the easy and simple problem which some of the speakers have indicated. The Canadian Pacific railway system represents not only $260,000,000 of ordinary stock, but about $1,100,000,000 worth of assets which would have to be absorbed. It further represents about 20,000 miles of railway trackage, including 5,000 miles outside of Canada; and I fear that the experiment of the Canadian National taking over the Canadian Pacific would be an extremely hazardous and extremely dangerous one. In fact, one of the greatest difficulties, I believe, would be that of financing the transaction. I have grave fears that the attempt of the Canadian National Railways to take over the Canadian Pacific would seriously impair Canada's credit in banking circles both in Canada and in the important financial centres of the world. I do not think that banking circles would look upon the proposal to put the Canadian Pacific under public ownership—though I am entirely open-minded on the question of public ownership—without grave consideration as to the consequent effect on Canada's credit. The government, I believe, should develop the question of amalgamation. Possibly they may find it feasible, but for the immediate present I believe our practical duty is to consider the present situation of our own railway system; and for a few moments I should like to examine that question.

In this connection I want to say that I fully realize that our two great railway systems are the arteries through which our industrial life flows and by which it is made possible, and that their continuance and their prosperity and efficiency are of vital concern to us. But while I realize that, I also think that it is pretty nearly time that we should ask: How and when are the Canadian National railways going to stand on their own feet? The statement brought down by the Minister of Railways (Mr. Graham) showing that $118,000,000 had been advanced or secured for the Canadian National Railway system by Canada during the calendar year 1924 was astounding. It becomes more startling when we hear that it only cost $163,000,000 to build the Transcontinental railway. But what I want to point out is this, that the fixed charges to the public payable in connection with our railways were only $38,000,000, and therefore there must have been in the hands of the railway for expenditure in the calendar year 1924, approximately $80,000,000. Now the question is, how was that money spent? We have their balance sheet, and in looking through it I find no statement of receipts and expenditures, which is for the ordinary man possibly the most illuminating statement in an annual report. The only thing I can do is to take the consolidated balance sheet for 1924, and compare it with the consolidated balance sheet for 1923, and try to discover where that $80,000,000 has been spent; and my conclusions are liable to be vague and inaccurate because I am not sufficient of an accountant to be sure that I am right. If I turn to the Canadian Pacific annual report for the same year, 1924, I find on page 26 a statement of receipts and expenditures which shows all the operating net income received from their railway, their income from other sources, the total amount received from the sale of securities, and so on; and then on the other side a complete, compact, and concise statement of how that money was spent, with references to later tables explaining the different items. I would like to bring to the attention of the Minister of Railways that this House should have a statement of receipts and expenditures from the Canadian National Railways. This House should be informed of how that $80,000,000, over and above the fixed charges of $38,000,000 on the debt to the public, was spent. The sums are tremendous. We are accountable for voting those sums, and I think we should know exactly how they were spent, whether economy was practised or whether extravagance governed. I think that is our duty.

Mr. MEIGHEN: Is the hon. member right in saying that this House was accountable for voting that sum? We did not vote it. We were denied the right to vote it by the government.

Mr. LeSUEUR: I will accept the statement of the hon. leader of the opposition (Mr. Meighen) on that matter.

In further developing this question as to when and how the Canadian National railway system is going to stand on its own feet, I would like to point this out: I believe that the Canadian people have been very generous in their grants to the railway, and very

patient in awaiting results. I believe they have come more or less to this conclusion: They believe to-day that with the enormous sums granted to the Canadian National Railway by the Dominion of Canada, that railway is now sufficiently equipped with rolling stock, sufficiently equipped with motive power, and has a sufficiently good roadbed and the miscellaneous properties that a railway requires and I note by their balance sheet for 1924 that the Canadian National Railways have on hand about $30,000,000 in cash, and about $50,000,000 in materials and supplies. This is more or less the same as it was at the end of 1923; therefore, surely the Canadian National Railways are now in a position to stand on their own feet, and certainly they should be, provided we take care of the fixed charges to the public. The Canadian public are going a very long distance in saying: We expect no dividends; we do not ask you to pay interest on the debt represented by cash advanced to you by the government; we are willing to take care of your fixed charges to the public to such extent and so long as may be absolutely necessary, but outside of that $38,000,000 or $40,000,000 you cannot ask this House for a cent. If the Canadian National Railways when thus relieved of their fixed charges cannot now carry on and operate, then I think we should have what is commonly called a showdown.

Mr. MEIGHEN: Would the hon. member be in favour of giving the directorate carte blanche to borrow without the authority of parliament or the Governor in Council?

Mr. LESUEUR: Absolutely no. I would be inclined to keep them on the same basis as they are now, but to limit the advances they might expect from this House to the fixed charges of $38,000,000, or $40,000,000. I would go further; I believe that unless you take a definite stand of that kind, you are not going to get the utmost results from the operation of your railways. If the railway cannot carry on with that $40,000,000 taken care of, then I think that the responsibility for any further expenditure or advances, should be placed directly on the government. In other words, we should have some governing body, some check on the month to month outgo of the Canadian National Railway system, and if they require sums beyond what is called for by their fixed charges, the government must be consulted, must be apprised of all the details, and must O.K. that expenditure before the money is advanced. That method of establishing a check may not be practical, but my point is that some such method, some check over the expenditure of the Canadian National Railways must be sought and must be enforced.

Mr. MEIGHEN: Is not that the law to-day? Has not all capital expenditure first to be submitted to the Governor in Council and approved?

Mr. LESUEUR: I maintain that it should be submitted, but if we are informed correctly, when the Scribe hotel was purchased the Minister of Railways knew nothing about it apparently until after the deal was closed.

Mr. MEIGHEN: Sir Henry Thornton gave evidence to the distinct contrary.

Mr. LESUEUR: There is no question that the government should keep in touch from month to month and should know constantly whether the Canadian National Railway is being conducted, on lines of economy or extravagance. The sooner we take means to bring that responsibility home to the government and to let the railways know that they must stand on their own feet the better it will be. Necessity is the mother of invention. If we are ever going to get real results our National Railways have got to know exactly the limit to which they can go.

Now, Sir, I should have liked to express some views on immigration, which I believe is one of our vital problems and the solution of which I regard as a very necessary measure in getting out of the present depression and out of the present financial situation. But that is an entire subject in itself, and I have purposely curtailed my other remarks so as to close before six o'clock. Therefore, all that I will say about immigration is this: I believe that owing to the essentially individualistic and economic character of migratory movements to-day and owing to the conditions in certain countries of Europe and to the regulations as to emigration to the United States, we have to-day an exceptionally good opportunity for an aggressive immigration policy. The essential need in a real immigration policy appears to be co-operation between the Dominion government, the various provincial governments, and the Empire Settlement Board. The next point is that owing to the nature of immigration you have got to have an inducement for the immigrant; I believe the greatest inducement which we can offer is that the immigrant will be taken care of when he locates in this country, and if that inducement is to be solid, it must be on a more or less sound and businesslike foundation. I believe these aims could be accomplished with a great deal of practicalness to-day. I hope at some later time in

this House to deal further with that proposition.

Now let me say in conclusion that I have endeavoured this afternoon to present a reasonably accurate view of our trade conditions and the necessity of reducing our taxes in an endeavour to better that position; also to give a fairly accurate view of our financial situation and the way we are heading. I have suggested some remedies. These remedies I may briefly summarize as follows: First, I believe that we must have a strong and stable fiscal policy, administered as I have said with the advice of a competent tariff commission which will reasonably assure our industries of intelligent, stable and businesslike treatment. Second, that we should have an aggressive attack on our expenditures in the routine business of government that we should deal with our expenditures in the same way as any business corporation would, and should establish inter-departmental boards with the object of bringing up-to-date modern business methods into our routine business and by co-operation and team work, eliminate waste and duplication. Third, I believe that we should establish a check or governor on the expenditures of our railway system. And lastly, which is possibly the kernel of the whole business, I think that our government should stop the policy of drifting along in apparent helplessness without facing squarely the difficulties which confront them; and their slogan should be "Business and results," not "politics."

Mr. G. A. BRETHEN (East Peterborough): Mr. Speaker, I have listened with much pleasure to the address which has just been delivered. It stands out very brilliantly in comparison with much of the partisan debate that we have heard so far. I will try to follow the ideal set by the hon. gentleman and in doing so will endeavour to speak without prejudice, actuated by the sole desire to examine the question "What is wrong with Canada?" and if possible suggest an answer.

Canada is so diversified in its interests and outlook that no solution can be arrived at unless a spirit of sympathy and genuine co-operation holds sway. Lacking such co-operation between the different units that make up the Canadian commonwealth and between the different classes in each community, any fiscal policy is certain to fail. Enjoying such sympathy and co-operation I believe that under almost any fiscal policy Canada is certain to succeed.

"What is wrong with Canada?" Answering this question I would say a lack of teamwork; an attitude of pulling apart rather than one of pulling together: a lack of sympathy and understanding between rural and urban interests within the community, and a prevalence of sectional interests within Canada herself. What is the remedy for this condition? Some few years ago when the thought laid hold of the people of Canada that the Canadian National railways were our railways, that we the people of Canada were vitally interested in their success or failure, things began to happen to the Canadian National Railway—it gained the greatest asset instrumental to the success of any organization, the good will of the people. So with the industrial and commercial life of this country. Let the people feel that Canadian industries are our industries, that Canadian farms are our farms, that the interests of both are immutably joined together, that one cannot succeed if the other fail, and that both are worth saving. When the people of Canada are actuated by such a feeling, Canada as a whole will move forward. In this connection the Farmers Advocate of April 16, last, under the editorial "The same road and the same gait" has this to say:

> Capitalists, manufacturers, tradesmen, labour and urban people generally were never more convinced than now that poverty and prosperity are closely associated with the economic status and well being of the farmer. It has taken more than words and oratory to make the lesson understood. Only decreased sales, lack of employment and a general slowing down of business could persuade the other classes of people that whether they like it or not they will have to keep step with the farmer.

What is throttling the life of some of our Canadian industries to-day? Lack of sales. With increased sales follows increased production, lower overhead costs and, with efficient management, more profitable returns. Develop in Canada the morale that will boost the purchase of Canadian products. That does not mean to apply only in a limited sense to made-in-Canada boots and shoes, hats and caps and farm implements, but just as truly to Canadian eggs and cheese, butter and bacon, apples and fish. Let Canada do her best along these lines, and such a revival in trade will result as will make every legitimate industry in Canada as busy as a Canadian beaver.

The heart of the Canadian people is sound. What stands in the way of this much-to-be-desired condition? A cloud of misunderstanding seems to exist in the minds of some people that, given the privilege to enforce a system of still higher taxation upon the consumers of this country that industry and Canada as a whole will prosper. Such a system will always be resented by the people taxed. Such a system will always prove a barrier to

that bond of sympathy and co-operation that would ensure maximum sales within the country. When you tax the over-burdened taxpayer of East Peterborough on the implements he uses and the clothes he wears, to give the benefit of such tax to some gentleman in Toronto or Montreal, you do not add to the taxable wealth of Canada. You do hamper and prevent the just and equitable distribution of such wealth.

The United States of America has often been referred to in this debate because of the success it has attained, supposedly to the policy of protection. Mr. Coolidge, making his maiden speech in Washington on December 6, 1923, has this to say regarding United States agriculture, then and still in a deplorable state of distress:

> No complicated scheme of relief, no plan for government fixing of prices, no resort to the public treasury will be of any permanent value in establishing agriculture. Simple and direct methods put in operation by the farmer himself are the only real sources for restoration.

If such words were true of agriculture in 1923, have they not been proven equally true to-day? The American farmer was hoodwinked, or hoodwinked himself into believing that high protective tariffs would alleviate his conditions. Apparently the very reverse has been true, and he is compelled, as have farmers in Canada, to fall back on simple and direct methods of organization and co-operative marketing.

But if the statement of President Coolidge is correct concerning agriculture, is it not equally true of industry? In Canada we have the spectacle of some industrial concerns, notably the binder twine industry of Brantford, working under simple and direct methods, put in operation by the industry itself, and buying their raw materials in the open markets of the world, working overtime, expanding its operations to the point where it is acknowledged to be the greatest of its kind in the British Empire, and paying regular dividends to its shareholders. Side by side with this industry in the city of Brantford, we have other industries enjoying special privilege in the sale of their products and given practicaly free trade in the purchase of their raw material. Yet according to my hon. friends to my right, these industries are closed or in a very unhealthy condition.

What conclusions can we draw from such a situation?

1. That altogether too much emphasis has been placed upon the effect of the changes made in our tariff during the past two or three years. These changes averaging between one and two per cent are so insignificant that they could not possibly be responsible for either the good effects claimed by the government or the bad effects claimed just as vigorously by the opposition.

2. That the real cause—and admitted so by the representatives of industry themselves—is lack of sales.

I remember during the past year that in our caucus room we met representatives of the implement manufacturers of Brantford and they proceeded to place the industrial situation in Brantford before us. They made the statement that many factories were closed, and I asked one of the gentlemen, the spokesman of the party, "Are all the factories in Brantford in that condition?" And he said, "No, there is the binder twine industry, for instance, that is working night and day." But, he said, "Of course they have a good sale for their product." I said, "Is the question, then not one of lack of sales in all these industries?" And he admitted that it was. "Well then would the proposed increase in the protective tariff alleviate or would it aggravate that situation? Would charging a higher price enable them to sell more, to increase their sales, or would it not?" There was no answer to that question.

Now just on the side, in leaving that meeting I was informed by a gentleman from the city of Brantford that the spokesman of that party started in some years ago—and he was still a man in his prime—with practically nothing and had recently sold out one-half interest in his business for half a million dollars. He claimed that he got very little assistance from the protective tariff, that he did not use the tariff to fix his prices in any way, and yet he had made good in his particular industry in Brantford.

Developing this conclusion that the problem is one of lack of sales I will go further and state that I do not believe the increased tariff imposed by the United States against Canada and the world helped very materially in bringing about conditions in that country, as they exist to-day. I admit it hurt us by dislocating our trade, but it certainly did not benefit the American farmers, and I repeat that I seriously question if industry in the United States reaped any material gain. We are accustomed to this argument advanced by some hon. members; "The United States has a high protective tariff; the United States is prosperous; therefore high protective tariffs bring prosperity". But here I would like to remind my hon. friends that during the past winter in the highly industrialized city of Detroit the Ford motor plant, one of the most highly financed, highly organized and efficiently

managed industrial concerns in the world, was running but three days a week, and thousands of unemployed were almost on the bread line.

Conditions in the United States have, by way of comparison with those in Canada, entered so frequently into the discussions in this House that I will be pardoned if I refer to them. From first hand information received through personal interviews with people across the line, real estate dealers, bankers, contractors, workers in motor plants and allied industries, I have drawn the conclusion that the happy conditions in the United States we so often hear about from our friends to the right are due, not to highly protective tariff, but to the following reasons:

1. To the tremendous financial advantage gained by the United States by her late entry into the world war.

2. To a commendable reduction of some $5,000,000,000 in taxation during the past four years.

3. To an immense building boom—suspended during the war period—of some $5,000,000,000 or $6,000,000,000 spread over the cities of the central and northern states.

4. To a system of financing, the very reverse of that practised in Canada, whereby credit instead of cash sales are encouraged. Fully 90 per cent, I believe, of the sales in real estate and business contracts, in fact, almost every commercial transaction is performed on the basis of a cash payment down of 10, 15 or 20 per cent, with the balance on paper.

5. To the fact that apparently everybody in the big cities, the real estate dealer, banker, doctor, lawyer, worker in the factory, even the nurse in the hospital, subscribes to this financial practice.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, April 30, 1925

The House met at three o'clock.

REPORT

Report of the Department of National Defence on Civil Aviation, including civil operations for other government departments undertaken by the Royal Canadian Air Force for the year 1924.—Hon. Mr. Macdonald.

PRIVATE BILLS

FIRST READINGS

Bill No. 48, from the Senate, for the relief of George Thomas Grigor.—Mr. Martell.

[Mr. Brethen.]

Bill No. 49, from the Senate, for the relief of Ethel May Sheriff.—Mr. Church.

Bill No. 50, from the Senate, for the relief of Max Arno Frind.—Mr. Hocken.

Bill No. 51, from the Senate, for the relief of Elizabeth Burns.—Mr. Garland (Carleton).

Bill No. 52, from the Senate, for the relief of Fred Herdman Ogden.—Mr. Church.

Bill No. 53, from the Senate, for the relief of Marion Gooderham Smith.—Mr. Hocken.

Bill No. 54, from the Senate, for the relief of Edith Mary Wiles.—Mr. Garland (Carleton).

Bill No. 55, from the Senate, for the relief of Annie Kate Winch.—Mr. Hanson.

Bill No. 56, from the Senate, for the relief of Florence Kate Coutts.—Mr. Ryckman.

Bill No. 57, from the Senate, for the relief of George Kerr Jess.—Mr. Hanson.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AERATED WATER BEVERAGES

Mr. ANDERSON:

1. How many aerated water factories are there in Canada?

2. Have their products any alcoholic content, and if so, what is the percentage?

3. What was the value of the beverages made from citrus products imported into Canada from the United States during the calendar year 1924; and what was the duty collected on same?

4. What is the percentage of alcohol in these beverages?

5. What is the alcoholic content in Orange Crush; Lemon Crush; Whistle and Green River, respectively?

Hon. Mr. LOW:

1. In 1923, there were 295 plants making aerated waters in Canada.

2. and 5. No information is available, but the subject is under investigation.

3. Separate statistics of imports of citrus fruit juices are not available, except in the case of crude lime juice. They are grouped in the tariff with other fruit juices. Imports of fruit juices from the United States during the calendar year 1924, with duty collected thereon were as follows:

Lime juice, crude only.. ..	Gallons	.....
	Value	$.....
	Duty	.....
Lime juice and fruit juices, fortified with or containing not more than twenty-five per cent of proof spirits..	Gallons	809
	Value	$7,039
	Duty	2,022 50

Lime juice and fruit juice, fortified with or containing more than twenty-five per cent of proof spirits..	..Gallons	207
	Value	$2,725
	Duty	2,887 50
Lime juice and other fruit syrups and fruit juices, n.o.p...	..Gallons	10,629
	Value	$33,549
	Duty	7,548 53

4. Information not available at present further than as indicated in the items quoted under answer No. 3.

HALIFAX TERMINALS

Mr. BLACK (Halifax):

1. What has been the total expenditure to date on the new Halifax ocean and rail terminals?
2. What is the estimated cost of finishing them in accordance with the original plan?
3. What are the intentions of the government in regard to the completion of this work?

Hon. Mr. GRAHAM:

1. $17,064,768.68.
2. $6,000,000.
3. The terminals are under the control of the Canadian National Railways. Any recommendation by the management will be carefully considered by the government.

WINNIPEG RESEARCH LABORATORY

Mr. WARD:

1. Is it a fact that the salary of the official in charge of the research laboratory of the Department of Trade and Commerce at Winnipeg has been reduced from $4,600 to $3,300?
2. If so, is there a precedent for such a reduction?
3. Has any order in council been passed making the said reduction?
4. If so, will the minister correct the estimate, or bring in a supplementary estimate covering the matter?

Hon. Mr. LOW: The main estimates show a reduction in the salary referred to, but the department is inserting a sufficient amount in the supplementary estimates to maintain the salary for the position referred to, at its previous level.

Mr. W. T. R. PRESTON

Sir HENRY DRAYTON:

1. In view of the following statements made by Mr. Symington, government counsel, appearing before the special committee on certain ocean rates:

"Whether Mr Preston has published a proper report, an exaggerated report, or a false report, under the reference to this committee, so far as I see makes no difference" and "I do not care about the Preston report which is largely a matter of opinion. I am not saying that it is right or that it is wrong. I do not see that it makes very much difference, whether it is right or wrong, so far as the facts are concerned" is the government still retaining W. T. R. Preston on the pay roll?
2. If so for what purpose?

Hon. Mr. LOW:

1. Yes
2. Mr. Preston's services are being retained for such time as he may be actually engaged in the work of the ocean freight rate inquiry.

TRADE WITH GERMANY

Mr. CHURCH:

What were the imports from, and exports to Germany for each of the following years: (a) 1910 to 1914; (b) 1919 to 1924?

Hon. Mr. LOW:

TRADE OF CANADA WITH GERMANY

Fiscal years	Imports	Exports		
		Canadian produce	Foreign produce	Total exports
(a)	$	$	$	$
1910..	7,935,230	2,065,768	435,423	2,501,191
1911..	10,047,340	2,028,649	634,368	2,663,017
1912..	11,090,005	3,577,847	237,067	3,814,914
1913..	14,214,547	3,049,105	353,289	3,402,394
1914..	14,586,223	4,044,019	389,717	4,433,736
(b)				
1919..	75	.....	.....	.....
1920..	44,255	610,528	45,298	655,826
1921..	1,547,685	8,215,337	1,699	8,217,036
1922..	2,041,016	4,509,547	82,534	4,592,081
1923..	2,568,409	9,950,877	112,002	10,062,879
1924..	5,382,506	16,153,650	141,188	16,294,838

WOOL IMPORTS

Mr. SUTHERLAND:

1. What quantity of wool, also worsted tops, as defined under items 555 and 556 of the customs tariff, have been imported into Canada during the years 1922, 1923 and 1924?
2. What is the rate of duty on said commodities?
3. What quantity of each has duty been collected on during the years referred to?
4. What amount of duty has been collected in this connection?

Hon. Mr. LOW:

Items	Fiscal Years	(1) Quantities Imported Pounds	(2) Rates of Duty	(3) Amount on which Duty was Collected Pounds	(4) Amount of Duty Collected
Wool under tariff item 555.. ..	1922	75,117	Preferential—		
	1923	17,749	2 cents per pound..	75,117	$2,253 51
	1924	.....	Intermediate—		
			2½ cents per pound..	17,749	532 17
			General—		
			3 cents per pound..	.....	.....
			Preferential—	(a)	
		(a)	10 per cent..	$ 255	$25 50
Worsted tops under tariff item 556..1922		$ 255	Intermediate—		
	1923	1,151	12½ per cent..	1,151	122 35
	1924	510	General—		
			15 per cent..	510	76 50

(a) Quantities of imports under this item are not recorded.

LEATHER BELTING IMPORTS

Mr. TOBIN:

1. What amount of leather belting has been imported into Canada from the United States during the fiscal years 1920, 1921, 1922, 1923, 1924 and 1925?
2. What was the amount of duty collected on same?
3. What amount of leather belting has been imported into Canada from Great Britain during the same years?
4. What was the total amount of duty collected on same?
5. What amount of leather belting was imported into Canada from all other countries during the said fiscal years?
6. What was the total amount of duty collected on same?

Hon. Mr. LOW:

Imports of Leather Belting into Canada

Fiscal years ended March 31

Imports of leather belting from United States—	1920	1921	1922	1923	1924	1925
1. Amount of imports..	$139,965 00	$128,129 00	$88,203 00	$138,905 00	$117,344 00	$90,705 00
2. Duty collected..	31,492 59	28,829,66	19,846 16	31,254 22	26,403 07	20,409 34
Imports of leather belting from United Kingdom—						
3. Amount of imports..	21,902 00	38,280 00	10,158.00	17,904 00	26,217 00	11,485 00
4. Duty collected..	3,285 30	5,752 95	1,546 57	2,685 60	3,961 27	1,735 73
Imports of leather belting from all other countries—						
5. Amount of imports..	.....	.....	.....	48 00	68 00	114 00
6. Duty collected..	.....	.....	.....	10 80	15 30	22 80

CLOTHES-PIN IMPORTS

Mr. TOBIN:

1. What was the quality of spring clothes-pins imported into Canada from Sweden during the fiscal years 1920, 1921, 1922, 1923, 1924 and 1925?
2. What was the total amount of duty collected on same?
3. What quantity of spring clothes-pins was imported into Canada from the United States during the fiscal years 1920, 1921, 1922, 1923, 1924 and 1925?
4. What was the total amount of duty collected on same?

Hon. Mr. LOW: Spring clothes-pins are not specified in the customs tariff nor in the statistical classification of imports. No information is available.

STEFANSSON EXPEDITION

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, in view of the contradictory statements which are being made and which are the cause of some agitation in certain sections of Ontario in regard to the Stefansson expedition and the cause of the death of Allan Crawford, I would like to ask the Minister of the Interior (Mr. Stewart) if when his estimates come down, in order to clear the air and give the facts as the government know them—not for any purpose of takng part in the controversy—he would be prepared to give a statement dealing with the whole expedition.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE ACTING MINISTER OF FINANCE

The House resumed from Wednesday, April 29, consideration of the motion of Hon. J. A. Robb (Acting Minister of Finance) that Mr. Speaker do now leave the chair for the House

to go into committee of Ways and Means, and the proposed amendment thereto of Sir Henry Drayton.

Mr. G. A. BRETHEN (East Peterborough): Mr. Speaker, yesterday I referred to the lack of team work and the need of better understanding among the many elements in Canada. When the House rose I was dealing with the argument advanced by some hon. members thus: The United States has high protective duties, the United States is prosperous, therefore high protective duties bring prosperity. In this connection I referred to the situation during the past winter in the highly industrialized city of Detroit, where the Ford motor plant was running but three days a week, and thousands of unemployed were almost on the bread line.

Referring to conditions in the United States and Canada I drew the conclusion from personal interviews with residents of the United States that the happy conditions there that we so often hear about were due not so much to a highly protective tariff as to certain other factors, namely: the tremendous financial advantage gained by the United States by her late entry into the World War; the commendable reduction of some five million dollars in taxation; the immense building boom suspended during the war period and running up to some five or six billions of dollars; also to their system of financing, the very reverse of that practised in Canada, whereby credit instead of cash sales is encouraged. Fully ninety per cent, I believe, of the sales in real estate as well as business contracts, indeed almost every commercial transaction is performed on the basis of a small cash payment down—ten, fifteen or twenty per cent—and the balance on paper. Further, there is the fact that apparently everybody in the big cities, doctors, lawyers, workers in the factories, and even nurses in the hospitals, subscribed to this financial practice.

The nature of practically every commercial transaction in the big industrial cities in the United States is well illustrated by this familiar example. A purchaser in the city of Detroit can go into the shop of a Ford dealer, pay $12.50 down and promise to pay $5 a week, and drive out a fully equipped Ford car. Such a system in the final analysis is costly, wasteful, and vicious to the country at large. As the inevitable result we find the big industrial cities of the United States in the very midst of an inflated condition, with the rural districts experiencing a corresponding depression, due to the inflated values of everything the farmer has to buy and to world market prices for everything he has to sell. In other words, the big industrial districts of the United States, which have attracted so many of the best of our young manhood during the past few years, are experiencing a situation very similar to that experienced in western Canada some years ago—unbounded optimism, easy credit, inflated land values, immigration pouring into the country, and men and women in every walk of life leaving the beaten paths of stable industry in an effort to get rich quick and at any cost—all the earmarks of seeming prosperity.

I will not attempt to refresh the minds of hon. gentlemen of this House with what ultimately followed such a financial practice, the results are too vividly in the minds of our people to be easily forgotten. Is such a system of finance sound? Is this the system that we are asked to strive to emulate? Given the same or similar premises, similar results are certain to follow, and with mathematical precision. If the industrial centres of the United States do not soon take stock, cease their fictitious trading with one another, and build on the more permanent basis of the stable prosperity of the country as a whole, then should any serious deflation occur, and it has occurred in the United States, the same unfortunate results, as we experienced in western Canada some years ago will follow. A house divided against itself cannot stand. Great Britain, the United States of America, the Dominion of Canada, France or any other country cannot go forward to permanent prosperity unless as a united people—united we stand, divided we fall. Developing this thought further, the Farmer's Advocate editorially says:

> A movement is on foot in the United States to bring about a better understanding between industry and agriculture and conferences with this end in view are held from time to time. The organizers look at it in this light: "Better results mean better times for manufacturers; better markets for farmers, better times for farmers; better markets for manufactured goods, better employment for labour." It is realized on every hand that the first step in the right direction is a "better understanding."

And that applies as well to Canada as it does to the United States. It goes on:

> There is too much meaningless criticism offered in place of constructive suggestion, while both industry and agriculture are often the victims of demagogic attacks that are sometimes not even correct in theory. Considering the lack of understanding between classes and industries, between rural and urban people, and between labour and employer, it is remarkable that so much progress has actually been made.
>
> Is it not time that the various organizations representing agriculture, manufacturing, finance and labour held fewer meetings by themselves and took a little time off to get acquainted with the other fellow's viewpoint and the other fellow's conditions?

As showing the need of a better working understanding among this great family, the Canadian people, I am reminded of the story of a young man whose trousers were too long. He went to mother and requested her to shorten them, but mother was too busy. He went to sister. Sister was too busy. Thrown upon his own resources, he decided to do the job himself. He took a generous slice off each leg, and hung the pants away for Sunday. Later mother regretted that she had not acceded to his request, and she also took a slice off the already diminished trousers. Sister's conscience bothered her and she repeated the operation, and when the young man on Sunday glanced ruefully at the abbreviated pants he remarked, "What this family needs is less operation, and more co-operation."

The politicians of France and the United States are putting everything they have in the way of indications of prosperity in the front shop window. Great Britain is plugging away in the background, but still going down to the sea in ships. Canada is divided. Some of us are working earnestly to bring about permanent prosperity on the basis of "equal opportunities to all and special privileges to none," while others are just busying themselves flashing 4.4 beer in the window or sulking in the cellar of pessimism. Is it any wonder that our Canadian boys turn from this drab picture of steady Canadian progress to the flashy picture of American boom and bustle and seeming prosperity?

But why should we be downhearted? The pound sterling is crowding the top perch with the American eagle. The Canadian dollar is at par, and John Bull and Jack Canuck, with the earnest patriotic support of every Canadian citizen, will some how paddle through.

How can we help to bring about happier conditions in Canada? By taking a few leaves from the book of our friends to the south. Put some of Canada's real assets to the fore. In this connection I should like to pay a compliment to the hon. member for Muskoka (Mr. Hammell) who refusing the other night, to be led aside into mere partisan debate, proceeded to put before this House and the world the revenue producing possibilities of the tourist traffic of Canada. We are all acquainted with the importance of the Swiss watch industry—everybody has heard of the Swiss watch—a great industry. But when compared to the tourist traffic of Switzerland the relation is $15,000,000 for the watch industry to $300,000,000 for the tourist traffic. Of course the Swiss people are a sane, frugal, efficient people. A story is told by a traveller of Swiss efficiency. When up among the mountains in that country one day, he came to a herdsman's cottage. Through the open door he saw the mother in the home with a book from which she was singing, in one hand, the other hand working a churn, and her foot rocking the cradle; and as the traveller looked into that window he soliloquized "What an illustration of efficiency; mind, eye, voice, hands and feet all working." But to his amazement when the woman in reply to his summons left her chair he saw she also had been pressing a Swiss cheese. I repeat, let us put the assets, the real assets, of Canada to the fore; put them in the front shop window. Let us tell our wealthy American friends, who annually spend hundreds of millions of dollars in sightseeing the world about this wonderful country at their very doors; about our sparkling lakes and rivers filled with the gamest, sportiest fish in all the world; its ease of access by railroad, by motor, and launch through scenery unsurpassed; about her snow-capped mountains, crystal streams, and hidden lakes which I have heard world travelled Americans describe as unsurpassed even by the Alps themselves. Here is a source of revenue whose fringe has scarcely been touched. I will support a largely increased expenditure for development here. Let us tell the world about our fertile fields, an empire in extent; our No. 1 northern that commands a premium on any market; about the wealth of our forests, our fisheries and minerals. Let us tell them about our wonderful water powers developed and undeveloped, and how they operate the wheels of industry; about our sturdy, reliable Canadian workers; our stable system of financing and sound economic practices in commercial transactions. We have been knocking Canada before the world long enough: let us boost some.

Let us take another leaf from the book of our American neighbour: Reduction of federal taxation. By a system of economies in small things as well as by eliminating expensive duplications in the service the United States has been able to reduce her federal tax from $54 to $27 annually. Since the war the United States has reduced her debt by over five billions.

How has this been accomplished? By old fashioned thrift, actually saving the pennies rather than talking about saving the millions: by co-ordination in the public service. To illustrate what can be accomplished here I should like to refer to the situation when President Coolidge became governor of the

state of Massachusetts. When he entered that office he found departments which aggregated 118 in number. He was successful in getting a bill through the legislature which allowed a reduction to not more than 20, and was given three years to do it in. The number was reduced to 18, and the thing seemingly impossible was actually accomplished in less than one year. Friends and enemies alike, said, "This is the death knell of your political future. These disgruntled partisans that have been turned out of office will spell your defeat." He came into office as governor of Massachusetts with the majority of 17,000, and was returned with a majority of 125,000, proving that the great mass of the people will support any government that has the moral courage to attack and correct this duplication and wasteful expenditure in the public service. Reduction of taxation by avoiding every unnecessary expenditure. How this may be brought about is well illustrated by the inaugural ceremony that has recently taken place at Washington. Formerly the outlay upon such occasions amounted to about $100,000. This year it cost but $5,000. This saving may not have pleased the elite at Washington, but looked good to the people who pay the taxes. President Coolidge has this to say:

> I am interested in this policy of economy not because I want to save money but because I want to save people.

Another saving was effected through the creation of the bureau of the budget. This was referred to yesterday by the hon. member for West Lambton (Mr. LeSueur) in detail, and I take this opportunity of again congratulating that hon. gentleman upon his contribution to the debate. General Lord, who succeeded General Dawes as the director of the budget at Washington, has this to say: "Little or no saving was achieved in the public service prior to the budget." Since its inception the government has been enabled to reduce taxation some two billion dollars annually according to President Coolidge's statement in Washington, on January 26.

Reduction in taxation, federal, provincial and municipal, can only be accomplished when the government receives the whole-hearted support of the individual elector. The people can no longer reasonably expect to continue to receive lavish expenditures for public services from the government, and at the same time enjoy any drastic reduction in taxation. It can't be done! I know of no surer way of bringing this home to the people than by the practice of refusing every request for the expenditure of public money that cannot be ear-marked "solely in the public interest." "Resolve every doubt in favor of the taxpayer." New post offices such as the one referred to by the hon. member for Yale (Mr. Stirling) at Penticton, or the building of a wharf similar to the one at Belle River, whose existence was dependent solely on the return of a government supporter, would not be considered legitimate under this policy.

I have no personal grievance with anyone in the civil service, and any words I have to say concerning that service will be directed against the policy and not against the individuals. I would suggest, in order to reduce taxation, a vigorous cutting-down of the civil service. This would not be a popular movement right here in Ottawa, but the government that had the moral backbone to effect such an economy would have the lasting gratitude of the people of Canada. The most effective way to accomplish such a reduction would be to remove the "haven of rest" idea with which the service is enveloped and place the service on a business basis. Lengthen the hours in the inside service from an average of less than six hours a day to a commercial eight-hour day. I believe by this means a real saving of possibly $10,000,000 annually can be made. The departments would not suffer any in efficiency, and such economy in the public service would be appreciated by the over-burdened tax-payer who works eight, ten, twelve or fourteen hours a day. If such action interferes with any section of the Civil Service Act I would scrap or amend that section. The Civil Service Act was made for man and not man for the act.

Another suggestion would be the co-ordination of the departments. Will any hon. member offer any serious objection to the uniting, say, of the office of Solicitor General with that of the Minister of Justice? In a little by-play in the debate the other day we learned that one of the best arguments for retaining the office of Solicitor General was that the now right hon. leader of the opposition (Mr. Meighen) at one time filled the office very ably. After the practical demonstration given by the sixty-seven-year-young Minister of Railways (Mr. Graham) in administering three departments, and acting as prime minister simultaneously, why should we be nervous if a $14,000 per year minister were entrusted with the combined offices of say Secretary of State and National Defence or Trade and Commerce? Great savings were accomplished in the United States along these

lines. The people of Canada will appreciate a saving here.

I have never been very critical of the Senate, believing that with some minor reforms the upper house could well serve a very useful purpose. After a larger acquaintance with the working of parliament, with all due respect to the hon. gentlemen of that august body I am frank to admit, however, I am a convert to the idea of abolition. At present the good services that might be performed by the Senate in initiating good legislation and checking ill-advised legislation are largely offset by the practice of the elected representatives of the people in the House of Commons using the upper house as a smoke screen behind which they may hide in dealing with questions that may be of peculiarly lively interest to certain sections of our people. I believe every hon. gentleman now adorning the Red Chamber whose ability and physical condition would permit could serve his country better as an elected representative of the people in the House of Commons, and I have no doubt he would be welcomed as such. The British North America Act is evidently not perfect and an amendment to permit of such action would I believe meet the hearty approval of the people of Canada.

I doubt if much saving can be accomplished under the present practice of administering the departments of the government. The system savours too much of the cost-plus species of remuneration, with the inevitable result, gradually growing departments with higher administration costs. To me the only feasible method of reducing the ever-growing cost of departmental government is by way of a reduced allotment for each department by a body independent of government heads of the departments. I have no doubt that under such a system the head of each department would accommodate his work to the reduced expenditure, without any serious loss in efficiency, the same as the farmer and others have had to do under falling revenue.

Now I come to the consideration of this House itself;—economy like charity should begin at home. I am heartily in favour of the suggestion of many hon. gentlemen that the membership in this House should be materially reduced. This would seem an opportune time to give this matter serious consideration, in view of the expressed intention of considering at a near conference amendments to the British North America Act that would enable such changes to be made. Another change that is quite within the powers of parliament and which I seriously recommend to members of this House is a reasonable reduction of the indemnity. While many good arguments can be advanced against such action, the truth remains that no drastic economies can be effected without the members of this House demonstrating their willingness to give a lead. Some say that with any reduction there would be no inducement for good men to enter public life. Answering this I should like to say "the lure of the dollar can never attract the best men in Canada like the call of service." and I am sure no hon. member would suffer any permanent inconvenience when the good effects of such action are measured. The indemnity is not a salary but is supposed to be given to secure hon. members against financial loss. I recognize that members coming from the extremes of Canada, on account of their inability to give personal supervision to their business, suffer a greater financial loss than the member within a stone's throw of Ottawa, and therefore I would favour as fair and reasonable the payment of indemnity under a graduated scale or a zone system. Coming from Ontario I can suggest such a change with more freedom than could an hon. member from those parts of Canada who would be favourably affected by such an arrangement.

I do not purpose referring to our uncontrollable expenditures such as interest on national debt, pensions, and so on, further than to say that while some hon. members of the late government might be seriously criticized for their lack of vision in failing to reduce the capital expenditure during the period of good times following the war, the fact remains that these debts are with us, we must bend every energy to prevent them expanding and devise some means for their substantial reduction.

I have suggested some practical economies in the public expenditure that can and will be appreciated by every taxpayer in Canada. I would now like to refer for a few minutes to methods that might be employed to raise the necessary revenue with the least hardship to the people at large. What then should be our sources of taxation?

First: Death duties carefully and stiffly graded. This is the fairest of all taxes. When a man has had a life use of the money which the country has helped him to make, the country has a right to a share of it at his death. Of course, the interests of the widows and orphans must be safeguarded to a reasonable extent.

Second: A graded income tax, beginning well down and after a certain sum—say $10,000 a year—is reached, rising very sharply on large incomes. This is getting the money from where it exists. But I would make a distinction favourable to incomes reinvested in industrial enterprises over the latent or dormant income. Such a tax on a man's income is easily collectible and it is preferable to the tariff which is a tax on the poor man's needs.

Third: A sales tax which might be largely excise in its character, bearing most heavily on luxuries and on such Canadian manufactories as enjoy the highest protection. Automobiles, for instance, would be considered as in such class.

Fourth: A tariff for revenue. This, of necessity, must be flexible and levied as far as possible on the non-necessities of life and luxuries. Tariffs are usually costly taxes, troublesome to collect and, in my opinion, an implement of taxation warranted only by dire necessity. When levied as protective, tariffs are unjust and ruinous taxes; they are a privilege granted to the few to bleed the many; they drain the country without filling the exchequer; they are heaviest on the best citizens, the men who are rearing worthily families whose needs have to be supplied; they are harsh on the poor. These are taxed out of all proportions to their means with every purchase. It is the purchasing power of the mass of the people that makes trade prosperous. It is the worker's needs supplied that makes work for workers.

I have been rather surprised during this debate to hear our friends to the right advocating almost with one accord reciprocity with the United States—reciprocity of tariffs, not of freer trade. Our Liberal-Conservative friends are not always protectionists; sometimes they are more Liberal than Conservative, and a few nights ago they were almost Progressive in their leanings. A certain private bill was proposed by the member for St. Lawrence-St. George (Mr. Marler) which was to extend for six years a certain patent enjoyed by a manufacturing concern in Montreal. When it was strenuously opposed by the hon. member for Norfolk (Mr. Wallace) and others in this part of the House, to our surprise the only apparent support that came from anywhere in this House for the company seeking this particular protection came from that doughty protectionist, the sponsor of the bill. He was like "a voice crying in the wilderness." I am opposed to protective tariffs. They have been given a fair, reasonable trial in Canada for well-nigh fifty years. Successive governments, as was shown by the hon. member for South Winnipeg (Mr. Hudson) have made insignificant, downward changes; yet when we point to the impoverished farmers throughout the country, when we point to the strikes of labouring men for higher wages, to seasonable unemployment and to the suspension of protected industries, our protectionist friends in this House say this is all due to a reduction or threatened reduction of the tariff. Such a charge I defy my protectionist friends to sustain. On the contrary they but discredit themselves by advancing such a baseless argument and by seeking to avoid responsibility for conditions, for which they are clearly and undeniably responsible.

In conclusion, Mr. Speaker, I would say that if there is any man in Canada who really believes that, under a democratic form of government where the people rule, where laws should be made for the good of all, any party has the right to impose taxes or to put burdens on one class in order to benefit another class, then that man is unworthy of a place in the free country in which he lives.

I have tried honestly to answer the question: What is wrong with Canada? and to offer some humble suggestions by way of remedy. In so doing, I have endeavoured to avoid unduly harsh or destructive criticism, believing that Canada needs at this time, as in the war-time crisis, the united, unbiased, whole-hearted, patriotic efforts of every member of this House to bring Canada through.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the debate has this year extended to an extraordinary length, and I know all hon. members are relieved to be certain that it will close to-night. I am not making any reflection on the length of the debate, although it is well known that, as regards this side of the House, we were prepared to close last week. The budget debate in Canada serves a purpose which is not there to be served in many other countries. We are a very widely scattered people. We have great diversity of interests, physical conditions and occupations. The budget debate is the medium by which the opposing views of many sections are expressed and brought together. I do not believe severe strictures on the length of the debate, therefore, are warranted; but at the same time it is possible to overdo everything, and I would have preferred had this debate closed sooner.

My contribution, if it can be called such, will not be lengthy to-day. We on this side

have on the order paper a notice of motion in my name which we have endeavoured to move and have discussed, but so far without success. This notice of motion has to do with what is the transcendent question in Canadian politics to-day, namely, that of the best fiscal policy under the conditions of the world at this time. The notice of motion covers this field and this only, and I think it will save the time of the House and contribute to orderly debate if I leave its discussion to the time when I may be able to move the motion.

I am going to attempt to analyse our financial position and to do so with all the clearness I can. I do not feel that I can speak with any pontifical authority, but I will do this for hon. members who do me the favour of listening: I will give my authority for each statement which I make, and leave the House to judge whether it is dependable or not. The result will be nothing very cheering so far as Canada is concerned, especially for our taxpayers. And while I believe that it is due in considerable degree to inefficiency, lack of control and lack of definiteness of purpose on the part of the government, I want to make it clear at the beginning that in my judgment the consequences are traceable in far greater degree to unsoundness of fiscal policy, to unsoundness of fiscal practice on the part of the administration, and to still greater seriousness of their fiscal threats.

I had intended making some reference, as a member of the late government, to remarks which fell from the hon. member for Chambly and Vercheres (Mr. Archambault); but on looking back over past debates I find that everything which he so recklessly alleged was irrefutably answered in 1917 in his own hearing, and to the material of which answers he made no reference. It was there shown that, so far from there being any waste in respect of the matters to which he referred, each and every article was supplanted by another without a dollar of cost: the Ross rifle by the Lee-Enfield, rifle for rifle; the Oliver equipment by the Webb equipment, each for each; that neither of these was used one single day, so soon as it was possible to get another to take its place; and that far from its having been possible to have the substitution made earlier, so great was the scarcity, especially in rifles, that the British government were compelled, though they did not favour the Ross, to place large orders in this country for that very rifle. It is very hard to understand how an hon. member could drag these musty subjects into the debates of to-day and do so with a good conscience, having regard to present conditions in Canada.

4 p.m.

I pass now to a review of the year's results, and from that I shall move to a review of the full results of the past three years and a quarter. There is in the minds of many hon. members confusion, at all events there is very little in the way of agreement, as to what is disclosed in the budget speech of this year. I do not think I can recall two hon. members who have given to the House the same deductions from the budget presentation. If there have been any single group who have agreed it would be quite a number, by no means all, of hon. gentlemen opposite, who draw a deduction which is manifestly wrong and which not one of them in a real encounter would venture to sustain. The hon. member for St. Lawrence-St. George (Mr. Marler) argues that the budget presentation is clear. Strange indeed it is, if such is the case, that hon. members of this House cannot tell what the result of it is; and stranger still is it that no one erred more frequently than the hon. member for St. Lawrence-St. George himself.

The budget presentation is not either complete or clear; it fails in the main purpose of a budget presentation, a purpose which the hon. member for St. Lawrence-St. George endeavoured, I think conscientiously, to supply, but which it should not have been necessary for anyone to attempt at all to supply, if the budget speech had contained the one great element which should be its first essential. Hon. members to my left have repeatedly urged that something be stated which is clear, which they will understand, which other than accountants can understand. It is suggested that this is not possible. Why is it not possible? When the Minister of Finance (Mr. Fielding) presented his budget two years ago I complained that it was not complete; but no one in this House found any difficulty in deciding upon its results. The same was true of the budget he presented the year before; I never heard any complaint as to its not being clear. Nor was there any complaint of that kind in respect of any previous budget presentation so far as I can recall, though, years having passed, one may possibly have overlooked an instance. The reason that it is possible for the present budget to be obscure is the fact that the finances of Canada to-day appear under two phases instead of under one; and it is obscure not because the bookkeeping of the country differs in principle, or differs at all, from the bookkeeping of previous years: it is simply because the government in presenting the results of the book-

keeping have concealed the result and facts from the public.

I have said that our financial affairs now run in two channels; everyone knows what I mean. We make two fronts before the world. first as Canada in its own account and secondly Canada as the National Railways. Each is our possession, the finances of each are our concern, and the debts of each are our responsibility. I am not complaining that the accounts are kept separately; no one would so complain. They should be. But they should not be kept separately for the purpose of concealing the result of one or failing to disclose the joint result of both. What is this joint result so far as 1924-25, the last fiscal year, is concerned?

If we look to 1922-23, the last year of the Hon. Mr. Fielding's regime, we shall find that the result was given as a deficit of $31,000,000. He arrived at that deficit. Mr. Fielding—I must mention his name, if I may be forgiven —took into account the whole of the finances of both phases, both of account No. 1 and of account No. 2. On this we are all agreed. In 1923-24, the first year of the present Acting Minister of Finance, the whole was not collected and a total result of the whole given the public. It is not fair, though, to say that all of one was removed to one side and the result of the other alone given as the result of the year. Part of one was given, and all of the other. Part of the railway result was included, that is to say, the cash advances, but not the assistance, the commitments in other forms; cash advances amounting to some $23,000,000—these the present acting minister included in his annual outlay in arriving at the result which he presented to the country, namely, a surplus of $35,000,000. I hope that, so far, I am clear. To arrive at that claimed surplus the Acting Minister of Finance placed all his receipts on one side, which was right; all the disbursements, ordinary, capital and special, of account number one on the other, and as to account number two, the railways, he included all cash disbursements, but no more. He did include what he had loaned in cash. He did add not only what he had loaned the railway in cash to his ordinary expenditure of the country, but he added his capital as well, and his special expenditure too. In a word, he included everything except the guarantees he made for the National Railways. Now I hope so far there is no difference of view; if there is, I am trying to state it accurately and I would be only too glad to be corrected or placed on the right track if I am wrong. This resulted in a surplus of $35,000,000. It is true the guarantees, which were not included, were 72½ millions. With those included there would have been a deficit of 36½ millions. Or, to put it in a word, the result of putting the two accounts together meant a deficit of 36½ millions.

Mr. MARLER: May I interrupt for a moment? My right hon. friend has not taken into consideration refunding operations —not yet, at any rate.

Mr. MEIGHEN: I will in a moment. I did not take it into consideration in the discussion last year, for this reason: the Acting Minister of Finance stated that the guarantees were for the purposes of capital investments; he mentioned no refunding.

Now I come to this year. If I were to ask hon. members of the House what the result this year is, I fancy if there was any agreement between two it would be on the part of hon. members opposite, most of those who have spoken; they would say we have a surplus this year of $1,823,000. Another would say: Well, if we take in the interest from Roumania and Greece that is not paid, we would have a surplus of $5,823,000. Now, let us pause to inquire: Is that $1,823,000 arrived at the way the $35,000,000 was arrived at the year before? Will any hon. member suggest it is? That is what hon. members are claiming as the surplus for this year.

Mr. MARLER: No.

Mr. MEIGHEN: I know the member for St. Lawrence-St. George (Mr. Marler) did not; but what a significant silence on the part of everyone else! Not at all, the Acting Minister of Finance last year knew that if he made up his accounts and presented the total of both the way his predecessor had done he would have been compelled to show a deficit of 36½ millions; if he had done that this year he would have had to show a bigger deficit still. But he said to himself: If I make up my accounts and join the two together the way I did last year I shall be in the hole far worse than the 36½ millions of last year—and he was determined that no newspaper would get a headline announcing a deficit. So what did he do? He not only put to one side the guarantees as he had done the previous year, whether for refunding or anything else, but he took the cash loans that he had made and put them to one side too.

Mr. MARLER: Not at all.

Mr. MEIGHEN: Without a question.

Mr. MARLER: The Acting Minister of Finance claimed a surplus of $1,823,000 on ordinary services, as was done in previous budgets under the administration of my right hon. friend. He can see it if he looks up the budget debates.

Mr. MEIGHEN: If the hon. gentleman will wait a minute he will see that his interruption had not very much pertinency and less excuse. The point is this: the $1,823,000 does not take into account the $18,000,000 loaned to the National Railways.

Mr. MARLER: No one claimed it did.

Mr. MEIGHEN: I am not saying he claimed it did. The point is this: The year before, the $35,000,000 did take account of the cash advances for the National Railways. Why the difference? The difference was just in order to get a headline surplus instead of a headline deficit. Not content with leaving out the guarantees, as was done last year; with leaving out the cash advances, as was not done last year, he thought that would not be quite enough, so he quietly took the Quebec Harbour Commission moneys and put them all aside, too, giving as his excuse that that commission was not paying interest. Then he took the merchant marine advance, $900,000, and set that to one side, too; and by the time he got all these four things to one side he had $1,823,000 of a surplus. Now, that surplus took into account all ordinary expenditure. It took into account more: it took into account all capital expenditure and all special expenditure, but it left out these other things, every one of which but one was included last year.

Now, I endeavoured to set the hon. member for St. Lawrence-St. George right when he was speaking. He claimed then—he will not now, for he has looked into it—that the $1,823,000 was merely the excess of revenue over ordinary expenditure. It was not; it was revenue over ordinary capital and special capital expenditure, but it leaves out cash advanced to the railway, cash advanced to the merchant marine, $600,000 of the Quebec Harbour Commission, and all the guarantees.

Mr. MACKENZIE KING: I will admit what my right hon. friend says, but I will add this: It is precisely what the Acting Minister of Finance said.

Mr. MARLER: May I make another interruption? That is precisely the way Sir Thomas White did it, and also the way the member for West York (Sir Henry Drayton) did it in his budget. If my right hon. friend will permit me, the difference is this—

Mr. BOYS: Why did you not answer questions when they were put to you?

Mr. MARLER: I am quite prepared, if my hon. friends opposite want to—

Mr. BOYS: You left the chamber without doing it.

Mr. MARLER: Not while I was speaking. Now, if my hon. friend objects to questions I will not ask another single question in the course of this debate. All he has to do is to request me not to ask any.

Mr. BOYS: Practise what you preach.

Mr. MARLER: Well, does my right hon. friend desire that I should not ask a question?

Mr. MEIGHEN: If it is a question. The hon. member has not asked one this afternoon yet.

Mr. MARLER: Well, if my right hon. friend will allow me to make this assertion, I will say this—

Some hon. MEMBERS: A question.

Mr. MARLER: Well, are we going to be reasonable about this debate, or not?

Mr. SPEAKER: Order.

Mr. BOYS: Why didn't you?

Mr. MARLER: I was.

Mr. BOYS: My hon. friend knows I asked him a question that he did not answer.

Mr. MARLER: The hon. member for South Simcoe—

Mr. SPEAKER: I would ask hon. members on both sides to listen without interruption to the address of the hon. member who has the floor, unless interruptions are permitted by him. I suggest that it is far better that the hon. member who is addressing the House should be allowed to proceed with his speech.

Mr. MEIGHEN: When the Prime Minister admits I am right, I should not have thought any of his followers would question the accuracy of my statement. The difference is this, that there was no summation this year at all; no summation of joint accounts, no adding up. The defect which the member for St. Lawrence tried to fill should never have had to be filled. In other words, the Acting Minister of Finance tried to show what the whole result of the year was, but he discreetly left these things out because he

wanted a headline in his newspapers showing a surplus of $1,823,000. That is why he left them out.

I am going to inquire as to what the real result was first, and then I am going to discuss whether the principle at which I arrive is sound or whether it is not. The Acting Minister of Finance, as I stated, includes all his revenue, and puts against it his ordinary capital and special expenditure. His revenue shows a diminution of about $53,000,000; I believe it is a little over that now. If I asked hon. members of this House how much the expenditure was more, or less, than it was last year, aside from the railways altogether, I wonder if there is one who could answer me. I am saying that, not by way of reflection upon hon. members; I am saying it by way of comment on this budget.

Mr. MACKENZIE KING: I will give my hon. friend the answer when I come to speak.

Mr. MEIGHEN: Unfortunately, the right hon. gentleman is not very dependable when he speaks last. I wonder if there is one hon. member who can tell me now? If there is, he cannot get it out of the budget. He will find that in ordinary expenditure there is $5,100,000 less than last year, but the budget speech does not compare the capital expenditure with last year's capital expenditure at all. Are hon. members surprised to know—it is some six millions more? The budget speech does not compare even the special expenditure this year with the special expenditure last year. This year's special expenditure is about $4,000,000 less, because no doubt of recession from the war. So, summing the three together, the improvement in expenditure less than the year before is approximately $3,000,000, or a little over. So we have $53,000,000 less revenue, and about $3,000,000 less expenditure—some $49,000,000 worse off in the total, and this irrespective of the railways, than we were a year ago. Taking all together, irrespective of what the minister leaves out, we accept $1,823,000 as right.

Now what other obligations have we entered into during the past year? And may I say, especially with reference to some comment that has been made by the hon. member for North Waterloo (Mr. Euler)?—in arriving at our position we cannot, on the system we have followed for years, claim to have a surplus unless we have a surplus over everything. We have not done it for years. We never claimed a surplus in our time. We said we had a surplus over certain things, but we showed clearly we had a deficit altogether. Expenditure on capital account was always included, has been for many years in this country, and because capital account is included in our expenditure as a country, why in the world should we distinguish it in our expenditure as a railway?—the more so because whatever capital expenditure we put in now or for years to come, we cannot, if we are honest, call the return for that expenditure an active asset, of this country. For this reason: If we want to know where we are at, we must absolutely include every commitment until the day comes, if it ever does, when we can honestly consider our investments in our railways as active assets.

I stated that we were accepting the figure as $1,823,000, understanding that to one side were placed all the items I have referred to. Now these items are, according to the minister's own figures: $18,027,000 cash advance; $46,000,000 guarantees—National Railway bonds—and $18,000,000 further guarantees, aside altogether from another $17,000,000, which is for refunding. May I state my own view on this point? In arriving at our position, and in this I entirely agree with the hon. member for St. Lawrence-St. George (Mr. Marler), our endeavour should be to ascertain how much the National Railways have gone further into debt. Of course, to get how much further they have gone into debt, we have to take off what debt has been paid. Now $17,000,000 of last year's guarantee was for refunding; $18,000,000 was not. So the total assistance to the railways is made up of these three items: $18,000,000, $46,000,000, $18,027,000, or a total of $82,027,000. In addition, there was $900,000 for the merchant marine, and $600,000 for Quebec harbour, making a grand total of $83,527,000. From this must be deducted the surplus claimed on the balance of our accounts; that is to say, ordinary revenue over ordinary expenditure, capital and special—$1,823,000. This deducted we find that there has been a net recession for the year of $81,704,000. I do not think those figures can be honestly controverted. They take into account all refunding. This is the amount we have gone back this year—$81,704,000.

Now, it is claimed that if the government admitted $81,000,000, they would be putting themselves in a position unfavourable as compared with presentations made in previous years by the late government; that is to say, they would be admitting liability for guarantees of loans when the previous government did not admit those as part of the debt of

Canada. I am going to inquire into that contention.

In the first place, let me say that if we assume it as absolutely true—and I think I will show to the satisfaction of anyone it is not, but assume that it is—what difference does it make? We still have gone back $81,000,000 this year. All it would mean would be this, that we claimed to have gone back in certain former years less than we really did go back; that is all it would mean. So whether I succeed or not in showing that the comparison cannot be made to our disadvantage, it is established that we did go back $81,000,000 this year anyway; and if the Prime Minister in his contention a year ago is right—that we did not include our guarantees even when they were not for refunding—all he succeeds in showing is that in those years we went back further than we admitted.

Now let us see if that is true. I do not know just how my hon. friend for St. Lawrence-St. George got some of his figures. I am sure he did not intentionally present them wrongly, but I could not follow some of his figures.

Mr. MARLER: I will show my figures to my hon. friend now if he cares to have them.

Mr. MEIGHEN: I have here the figures from the reports of the National Railway Company as well as the department. I am sure they will agree, but I could not make them agree. Perhaps the hon. member can. I have more guarantees than he has. The guarantees that we gave were in the fiscal year 1920, $25,000,000 for the Canadian Northern, and $25,000,000 for the Grand Trunk; and in the fiscal year 1921, the very same—$25,000,000 Canadian Northern, $25,000,000 Grand Trunk. The hon. member refers, as well, to a guarantee of $11,000,000 in the fiscal year 1921-22, which is right. But this was after the end of 1921; it was therefore by the present government; and in any event it was all for refunding. Mr. Fielding did not include it, and he was perfectly right. Therefore, I must direct my inquiry into the $100,000,000 I have named—$50,000,000 in 1920, and $50,000,000 in 1921.

Mr. MARLER: Does my hon. friend intend to take in the unguaranteed securities?

Mr. MEIGHEN: No, I have not been able to trace any. I know the hon. member says there were some, but I have not been able to trace any unguaranteed securities, unless possibly some for equipment.

[Mr. Meighen.]

Mr. MARLER: There were some for equipment that were not guaranteed.

Mr. MEIGHEN: Yes, there may have been some used for equipment that were not guaranteed at all.

Mr. MARLER: They were not guaranteed but nevertheless formed part of the railway debt.

Mr. MEIGHEN: Yes they are to-day part of the debt of the Canadian National Railways.

Mr. MARLER: And should be included in making a comparison.

Mr. MEIGHEN: Well, I was referring, for the present, to the guaranteed securities, all those that I referred to a year ago.

Mr. MARLER: If I may interrupt my right hon. friend: if he refers only to the guaranteed securities he cannot get exactly the same comparison. Because some of the securities for equipment issued by this government were guaranteed whereas they were not all guaranteed by the past government.

Mr. MEIGHEN: In the comparison I am making I am taking exactly the government guarantees in each case.

Mr. MARLER: If my right hon. friend does not include the non-guaranteed issues I have indicated his comparison is not a fair one.

Mr. SPEAKER: Order. This debate cannot proceed in this way. The right hon. leader of the opposition has the floor, and unless he gives permission he cannot be interrupted.

Mr. MEIGHEN: What I am pointing out is this: In referring to what we have gone back this year I have taken into account the guarantees alone. In taking our total debt into account we have got to take into consideration those securities that were unguaranteed I admit, so there is no actual difference between us at all. There were $100,000,000 guaranteed in those two years. Now it is true that the proceeds of those guarantees did not go altogether to reduction of debt. That is quite true. I never contended that it did. What I contended was this: That while we had guaranteed $100,000,000 we also provided the money, either in cash or guarantee, and reduced the debt by more than $100,000,000.

Mr. MARLER: That is precisely what my right hon. friend did not do.

Mr. MEIGHEN: Well, I do not know, Mr. Speaker, what you think of that interruption, but for my part I cannot admire the language and I cannot detect the thought.

I proceed now to inquire whether or not there was a reduction of the debt of the railways by the amount of the guarantee, $100,000,000. I have before me a statement first of all from the Railway department. I asked my secretary to obtain it and from it I have the figures which I have already given, I also have the following: These quotations are made wholly from the annual reports of the National Railway Companies, they are made from no other source. The figures that I gave are from that source. This statement is included by way of explanation in the memorandum:

The financial practice of the Grand Trunk seems to have been very general. They appear to have financed ordnary requirements out of proceeds of guaranteed bond issues, and at times met retiring capital obligations (maturing loans) out of loans advanced by the government.

They did both. Now as to the Canadian Northern Railway:

The Canadian Northern on the other hand seems to have been more specific in its financial practice, possibly because of the magnitude of its transactions, but it also is understood to have retired maturing obligations out of straight loans as well as equipment issue retirements.

Now in the matter of retirements I do not think I have them all. I have them all in the case of the Grand Trunk and the Canadian Northern, but I do not think I have them all in the case of the Grand Trunk Pacific, but I have sufficient. I read from the report, taking the Grand Trunk Railway first, its report for the year ending December 31, 1920:

The principal retirements during the year were $1,166 666.67, 5½ per cent, 5 years secured notes, due July 1, 1920.

That appears to have been the only retirement that year. Now I take the report for the next year:

Principal retirements during the year were $4,866,666.67—6 per cent, 3 year secured notes, due January 14, 1921, $14,600,000.00—6 per cent 3 year secured notes, due October 1st, 1921, and $719,780.00—6 per cent second equipment mortgage bonds, due July 1, 1921.

Those were the retirements of the Grand Trunk in those two years. I have them all tabulated and will give the result.

I will now give the results according to the Canadian Northern Railway report, for the year ending December 31, 1920:

In December, an issue of $25,000,000— 7 per cent 20 year bonds, guaranteed by the Dominion government, was authorized to provide for maturing loans.

Next the report of the succeeding year:

During the year an issue of $25,000,000 Canadian Northern Railway 6½, twenty-five year sinking fund bonds guaranteed by the Dominion of Canada was sold in New York, the proceeds being paid to the Receiver General in repayment of advances by the Dominion government. There were also retired during the year $2,000,000—5 per cent Duluth, Rainy Lake and Winnipeg Railway bonds guaranteed by the Canadian Northern Railway Company and £3,650,000 Canadian Northern Railway 5 per cent guaranteed notes.

That ends the entire retirement so far as I can find, and I think they are all securities of the Grand Trunk and Canadian Northern. The figures I have read total $102,353,113.34, or something over $2,000,000 more than the total amount of our guarantees. In addition if hon. members will look at the report of the Department of Railways and Canals for 1922, which covers the year 1921, they will find that an issue of $9,720,000 of the bonds of that road were paid off on March 1, 1921, and they were paid off necessarily out of moneys provided by the government for the road was in liquidation. The total thereof is $112.073,-113.34 reduction of debt as against only $100,-000,000 of guarantees, so there was no necessity of including the guarantees in the additional liability to the country though in those liabilities certainly both phases of our account should appear. May I repeat—I have read from nothing save the annual reports of the railway companies themselves in the case of the Canadian Northern Railway and the Grand Trunk Railway, and from the reports of the Department of Railways and Canals in the case of the Grand Trunk Pacific.

Mr. MARLER: May I ask the right hon. gentleman a question. Has the Finance department checked over these refundings? My reason for asking the question is that my statement of refunding was checked over carefully by the department.

Mr. MEIGHEN: I did not take them to the Finance department. It is the railway company's business. If I read in a report of the company that a certain loan was paid I do not need to go to the Department of Finance to see that it was paid. Now, this is as far as I need go, I think, in relation to last year. Suffice it to conclude that we went back by $81,000,000; this country is that much further in debt than it was a year ago.

Now, I want to inquire as to what has been the result of the three years and three months up to April 1, of this year of the present administration. It is important so to inquire and I proceed to do so including both accounts of course. I proceed to do so taking into account all refundings and the way to get it

is this: To take the debt on the first account as at the end of 1921 and take the debt on that account on 31st March, 1925. The difference is the increase or decrease as the case may be. Then in relation to the other account, the National Railways, take the debt at the end of 1921 and the debt at the end of March, 1925. Now, if I leave my statement that way it is not altogether fair. In getting the total increased obligations of the country it will not do to include the whole increase of the National Railway debt. All that it is right to include is the increase of the debt due to the public—due to the third parties; you cannot include the increase of the debt due the government, because of course that is not any increase of the joint debt at all.

Now, what is the increase in the debt on the first account?—that is, the old account of the government of Canada proper. The Canada Gazette shows the debt on the 31st December, 1921, to have been $2,366,861,252.29. This government took office on December 29, 1921. The Acting Minister of Finance (Mr. Robb) shows the debt at the end of April to have been $2,431,487,112.88. The difference is $64,625,860.59. There can be no dispute of these figures. All the comment I have ever heard is this: That when you take the debt at the end of 1921, and add the debt for the three months succeeding, you are adding debt which was incurred under estimates prepared by the previous government. That is true. But the expenditure from the end of 1921, from the accession of this government, was wholly under the control of this government, because when moneys are voted in estimates it does not mean that those moneys have to be spent. It is only authority to spend those moneys. The payments by this government after they come into office are their responsibility, and the responsibility of no other. The actual increase in debt is the $64,625,000 which I have just given.

Now I proceed to inquire where we stand in relation to the railways. Certain figures have been put on Hansard by the Minister of Railways in response to questions put by the hon. member for West York (Sir Henry Drayton). These figures show an increase in the three years, not taking into account these latter three months, of $294,000,000. That is the increase of public debt and of government debt both. Those figures do not differ very much from those given in the reports of the company, but they do differ somewhat. They differ very considerably in the division of the increase between the public and the government. I hold in my hand the report of the National Railways for this last year.

[Mr. Meighen.]

This report gives the debt due the public at the end of 1924 as $913,913,082.80. This is due the public alone. This will be found at page 29 of this report. In order to find out what was due the public at the end of 1921 it is necessary to have recourse to two authorities. One is the annual report of the Grand Trunk, because the roads were not united then; and in the annual report of that company for the year 1921, at page 8, the following is given as the debt outstanding on the 31st December, 1921; $371,042,194.75. Now if hon. members will turn to the annual report of the Department of Railways and Canals for the year 1922—that is the report for the previous year—they will find that out of this amount there is due the government the sum of $76,965,322.10. Take this away from the $371,000,000, the total debt, and we have the amount due the public $294,064,872. This is the debt on the Grand Trunk at the end of 1921. Now we have to get the debt on the Canadian National Railways at the end of 1921. This appears in the report of the Railways and Canals department at pages 35 and 38. The figures are:

Canadian Northern..	$302,399,006
Grand Trunk Pacific..	157,699,714

So that adding the three figures together, the $294,000,000 on the Grand Trunk, $302,000,000 on the Canadian Northern and the $157,000,000 on the Grand Trunk Pacific, we have a total debt to the public at the end of 1921 of $755,115,592. We have $755,000,000 odd due the public at the end of 1921, $913,913,000 odd due the public at the end of 1924, and since 1924, until the end of March of this year $18,000,000 more has been added according to the statement of the minister which is correct as we all know, the $18,000,000 being new money from proceeds of the $35,000,000 issue made this year.

Then adding all these together, the $913,913,082 and the $18,000,000 we have $931,913,082 as the debt due to the public at the end of March last. Deducting the debt due to the public $755,115,592 on the 31st December, 1921, when this government took office, we find the increase in our debt as denominated, Canadian National Railways, $176,796,490. This is the increase in the one account, the increase in the other account is $64,625,860, and the two together make a total on both accounts of $241,423,350. Nor does this represent the total increase in the debt from December, 1921. To arrive at these figures there is included the $4,000,162 that has been added this year on account of the debt of Greece and Roumania. There was included as well some $8,199,333.31 last year and $8,938,260

the year before which were rightly taken in as an asset, but which were just as much our assets five years ago as they are to-day—exchange adjusted as due us by the British government; and a similar amount the year before. I am not complaining at least in the case of the latter two items being included in our estimates to get at our right debt now, but what I say is that we cannot fool ourselves by thinking we are that much better off than we were. We are just exactly in the same position. They were our property then as they are now. Adding these, the debt that we have gone into since this government took office, after all refunding is allowed for, is $262,561,105. I do not think it can be successfully contradicted that that is the real position. I do not think I am in disagreement at all with the hon. member for St. Lawrence-St. George in this respect.

Mr. MARLER: My right hon. friend is totally in disagreement with me, because his figures are incorrect.

Mr. MEIGHEN: I thank my hon. friend for so saying so frankly.

Mr. MARLER: If my right hon. friend will permit me, the increase is $111,000,000 in the three years of this government's administration, taking into consideration the two debts, consolidated debt and railway debt, less refundings.

Mr. MEIGHEN: I thought the hon. member had said I was correct and I did not know how my figures could have been correct and those of my right hon. friend's also.

Mr. MARLER: I will be most happy to submit my figures to anybody.

Mr. MEIGHEN: My hon. friend is entirely wrong. I have taken the debt to the public at the end of March from the reports of the companies. I have taken the debt to the public at the end of December, 1921, from the same reports and the reports of the Department of Railways and Canals, the only sources from which they can be secured. I have read in every case the report. The difference is virtually the same as given by the Acting Minister of Finance. The only difference is this, that while he makes a total increase of debt practically the same, he divides it differently between the public and the government. The reports of the department are absolutely clear and the reports of the companies agree. It is, however, wrongly divided. The amount due the public is larger; the amount due the government is smaller.

Mr. MARLER: I do not want to be factious in interrupting. All I can say is that these figures perfectly balance. They have been checked up and checked back. I am not trying to mislead my right hon. friend at all.

Mr. MEIGHEN: The basis of them is wrong.

Mr. MARLER: No, the basis is right.

Mr. MEIGHEN: Does the hon. member deny that there is owing to the public to-day $931,913,000 in respect of the Canadian National Railways?

Mr. MARLER: What I state is this, if my right hon. friend would like to hear the statement, that from the 1st April, 1922, to the 1st April, 1925, the combined debt of this country, that is to say, taking all outgoings, including railways, less refundings, shows $111,473,508 of an increase.

Mr. MEIGHEN: I do not know why it was necessary for my hon. friend to keep forever repeating his conclusion. It would have been enlightening if he had given us his method of arriving at it. I have given my method of arriving at the result just presented and I have quoted my authority at every stage. My hon. friend is entirely wrong as to his figures of a surplus. I commend, to him, more careful inquiry, more deliberation and less determination to get back into the good graces of the government.

What is the significance of all these returns? Has this House been prepared for the fact, which is admitted even in the report of the Minister of Railways, that in the three years, irrespective of what has taken place in the last three months, the National Railway debt to the public and the government increased by more than $294,000,000? Is it prepared for the fact, which nobody disputes, that, adding the last three months, it is now, according to the minister, about $312,000,000—or, according to the reports of the companies, about $327,000,000—more than it was just at the end of December, 1921? The increase to the public is colossal in any event; the increase in both is still worse. We have been supplied all along with data as to how the operating account was running. We were told through the year 1923: "It is improving." The operating account was improving. We were told through the year 1924: "It is getting worse." It was getting worse. But the operating account discloses only a mere fraction of the whole truth as to the National Railways and the real position we are in to-day.

Let me say a few words by way of personal reference. I am not one who has been predisposed to criticize the National Railways. I have been assailed myself most severely for the part I took in amalgamating the roads under the government of Canada at the time they were amalgamated, especially for the acquisition of the Grand Trunk. No one hoped more ardently than I did that the operation of those roads, controlled by the statutes which were submitted and passed by this House, would be a success. After the first two years' reports came down, the hopes that I had originally entertained were strengthened. When the Minister of Railways presented his report in the spring of 1922, I commented, as the House will remember, most favourably upon it and looked forward hopefully to the success of the system so amalgamated. In 1923, I followed in the same vein. It is certainly with a degree of disappointment, which I do not think anyone will sincerely question, that I now am compelled to say that the whole aggregate result to-day is discouraging. It is not that the disappointment is so great in respect of the result of operations, but the disappointment, indeed, is keen when we have regard to the fearful pace at which, in these last three years, the capital account has been increased. I know the capital account was very considerably increased prior to 1921. When we took over the Grand Trunk railway particularly, it was in a dilapidated condition. The board of arbitration found that that company had been paying to shareholders dividends which should have been applied to their system, which should have been invested in rolling stock, in their line of railway, in maintenance and things of that kind. The condition of the road was such that millions had to be invested to get it into the shape in which we found it in 1922. Those millions, however were not as great as have been generally believed. They were given by the hon. member for St. Lawrence-St. George and they were given correctly; but everybody thought at the end of 1921 that these large capital investments would be over. Nobody thought all capital additions would be over. You cannot maintain a railway without some enlargement of capital investment. In the year 1922, this policy was rightly, honestly pursued. The board of management of that year added to the debt of that railway in 1922 only the sum of $59,000,000, as is shown by the minister's return. This sum of $59,000,000 could have very little in it except the deficit inclusive of fixed charges and operation. The deficit alone would be something over $50,000,000, so that the amount of capital investment in 1922 was relatively very small. The management at that time was under Mr. Hanna and the former board and it determined that we had gone as far in the way of investment as we should go for the time being; that our business was to take the property we had and make it go, to endeavour to get traffic enough for it to give returns to the people of Canada and not to continue the process of adding million by million to the capital debt of the system.

Mr. EULER: Would the right hon. member state, in detail, just what his objections are to the moneys that have been expended on capital investment?

Mr. MEIGHEN: Does the hon. member mean: To which expenditures I object?

Mr. EULER: Yes.

Mr. MEIGHEN: I do not know because I have not seen a statement of them. Where can you get them? I know this, that according to the minister's returns, in the next year, 1923, instead of $59,000,000 being added, it was $116,000,000 odd. This is a terrific sum, and in the next year, 1924, it was $118,000,000. According to the reports of the companies it is more than either of those figures, about $12,000,000 more. These figures are staggering.

Mr. EULER: Does the right hon. member think that the mere statement of the size of the sum is in itself a proof that the money is ill spent or not properly expended?

Mr. MEIGHEN: It is not a proof, no; but it is a proof that the policy that has been followed is unwise. Never under the conditions of these last three years was this country justified in putting $327,000,000 more into the National Railways; even if you assume—which I will not—that the money is now represented by tangible assets, the policy was not the right one. We already had over $1,100,000,000 in that road and to-day we have $1,492,000,000. And of that, $327,000,000 has been put into the railways since this government came into power. These figures, I say, are staggering; they have staggered the people of Canada. And this government under the law of the land is responsible for all moneys provided for capital expenditure of the Canadian National Railways. Let no one forget that fact. The statute makes the government responsible for capital. I could point to investments of the railways that have not been sound; but I do not claim that under any management every investment that is

made will be sound. What I claim however is that the road has been run without financial direction, of a quality adequate to such an enterprise, ever since the end of 1922.

You may have a high opinion of Sir Henry Thornton or you may not; he has his critics and his friends, and he has many of both. But neither Sir Henry Thornton nor any other man in charge of a railway can be master of all the phases of this huge enterprise. Name me the president or general manager of any great system half the size of this who is surrounded with the class of men whom this government provided to manage a road in which—including the Intercolonial and Transcontinental—we have invested nearly two billions of the money of the people of Canada. This road's operations are twice the size of the titanic United States Steel Corporation; and I wonder if we would compare the directors of the United States Steel Corporation with the Talbots, the Goughs, the Dawsons with whom this government supplied Sir Henry Thornton at the end of 1922. Where is the man on that board—or rather, where was the man on that board, for I shall comment on the present board in due course—who was competent to render any real assistance to Sir Henry Thornton, assuming that he himself was competent, giving him every credit for what he has done, when the old board was changed at the end of 1922? Instead of Mr. E. R. Wood, instead of Mr. Riley, instead of Mr. Hobson, we had on the board, the men I have named. The consequences are now upon us. There has been a little improvement of personnel lately, I admit. I do not object to, rather I commend, the appointment of two or three men, Mr. Gardiner, I think, was a good appointment; so was Mr. Brown. But these men have been only lately put on the board. Up to their appointment who was there on the board who held the slightest control over the financial direction of that colossal enterprise? No control from the directors, no control from the government—and Canada to-day finds itself $176,000,000 more in debt to the public in respect of the railways, and $327,000,000 more in debt altogether since this government has come into power.

5 p.m.

Canada is not a country that can afford to go down hill at such a pace, and the hon. member for St. Lawrence-St. George is absolutely right when he calls attention to the inevitable end. Such a state of affairs cannot continue and the responsibility is on the administration, who having the power to control this tremendous outlay has failed to exercise that power. They have allowed millions to go into Scribe hotels, golf courses, radio sets and all that sort of thing. If this country were going ahead it would not be so bad. If we were expanding and the population were growing, if there were sufficient traffic to supply both railways, with a surplus, these expenditures might be justified. But when there is only a limited amount of traffic available, to be spending the money of the Canadian people in tens of millions in a mad effort to get the traffic from the other enterprises is manifestly not wisdom. It is because of this policy that we find ourselves where we are to-day.

I said there was no expansion. Have hon. members observed what has been going on? Has there been any attempt at co-ordination or economy? I look at the Colonization department alone and I find that what in 1922 was about $160,000 has increased until now it is $770,000. And this in competition with the immigration efforts of the government. How can such a duplication of effort be justified? During the fiscal year 1923-24 the government spent $3,482,986 on immigration work, or $1,128,000 more than was spent during the year 1922-23. And with all this duplication we have an immigration of 111,000 as against 148,000 the year before. This year the Canadian National Railways' expenditure in colonization has gone up by 150 per cent; while, as I have stated, the government has spent $1,128,000 more on immigration. Yet, notwithstanding all that additional expenditure, to say nothing of the overlapping, we have received about 37,000 less in immigrants than we did the year before.

The Prime Minister (Mr. Mackenzie King) has been in the habit of telling us that when his government started this work they had to begin at the bottom of the hill; that the old government had allowed the immigration machinery to go to rack and ruin, and so the present administration had to start at the bottom; and the people must therefore wait until later figures would be available to see what the full harvest of the government's policy will be. Well, by actual count, they have announced nine policies in their three years of office so far as immigration is concerned. The figures however show that our immigration, as at the 31st of March, was as follows in each of the years enumerated:

1920	111,336

In that year our soldiers had not all returned.

1921	148,477
1922	89,999
1923	72,887
1924	148,560
1925	111,000

Mr. MACKENZIE KING: Has my right hon. friend been adding in the cost of the Wembley exhibition as part of the immigration expenses he has quoted?

Mr. MEIGHEN: My secretary got the figures from the department; I do not know whether that item is included.

Mr. MACKENZIE KING: Can the right hon. gentleman not tell us whether it is included?

Mr. MEIGHEN: If it is I cannot dispute it; my secretary got them from the department's returns.

Mr. MACKENZIE KING: The right hon. gentleman ought to be more careful before quoting figures.

Mr. MEIGHEN: It would make little difference anyway, because there has been a great increase in the immigration figures. But I got the figures from the department; and if the items referred to should not be included under the head of Immigration why did the department so include them?

Now, these are the consequences which we have to face. They are not very cheerful to contemplate, nor will recovery from them be very easy. I sometimes wonder how the government can justify the course it is pursuing. We have abundant resources, we are told; but abundant resources are not enough, unless we manage them for the benefit of the people of our country. All this talk about great resources is just so much air; what is essential to accompany resources is a policy which will develop them; and the government should see to it that the people of Canada shall get the benefit of the full harvest of that development.

We have been met year after year with admissions: things were not any too good, but they were going to be very good soon. One year we had one excuse; the next year we had another; the third year we had still another; and I wondered what was to be the excuse this year. I remembered that last year the Acting Minister of Finance told us in his statement that with these reductions of duty on basic commodities, on the "instruments of production," there would be so much to buy and so much money to buy it with that our workmen would be employed overtime and our factories running night and day. This was the prophecy made in the closing words of the budget of last year. Instead of that, everybody knows—not only everybody here but the people throughout the whole country—that the very reverse has been the fact; and I wondered what the Acting Minister of Finance would say by way of explanation when he came before the House this year with his budget. He looked about for some new excuse. The three best had gone; he had to have another. He looked across to Europe, and he said: "I know what the trouble is; it is the reparations problem over in Europe. Europe is all mixed up; the people there cannot buy. The reparations trouble left them in chaos up to last year, but last year they got it fixed up by the Dawes plan, so now we are on the eve of expansion." Do hon. members really think there is the slightest thing in that? Do hon. members really think that is valid to the extent of one per cent? Is it difficulty in selling our exports that has been our trouble? Have we ever got as good prices in history, in time of peace, as we got this last year? I do not think we ever did, nor do I think we have ever found so ready a sale—that is, for our raw product, the production of which and the marketing of which was going to make us all so busy, all so happy, all so rich. On the contrary it is business at home that has become stagnant, the people at home who have become discouraged. I ask, with such policies as this government is pursuing—the National Railways running more or less wild, expenditure mounting up and revenue decreasing—what will be our position next year? Does the government anticipate that next year we will get higher prices for our products? If so, on what is that expectation based? Does the government expect that a contracted population is going to produce more than an expanded population? If it does not expect these things, upon what does it rely to extricate this country from the mire of debt into which it has fallen?

Now, the hon. member for West York (Sir Henry Drayton) in the amendment says this and this alone: that the essential thing for Canada to-day is reduction of taxation, especially of those taxes which bear on the masses of the people and which this government has increased—the sales tax, these nuisance taxes, and the like. Reduction of all taxes is necessary, but of these especially. The amendment says, as well that there is disclosed in the budget of this year no evidence of that economy that will make such a reduction possible. I ask, is there any hon. member of this House who in his heart of hearts thinks he can discover any such evidence in the budget of this year? Is there an hon. member to my left—and they are on trial in this debate as well as the rest of us—is there one of them who has not

stated in this House the very things that are stated in the amendment? Has there been one hon. member to my left who has uttered in this debate an opinion which conflicts with the statements made in the amendment? Are those statements not of importance? Is it not of value that this House should declare a fact—and it is a fact—so vital to the welfare of this country? If hon. members admit those facts, how is it that they are going to vote against them? Some hon. members have said, "These people to our right are protectionists." Well, there is no protectionist statement in the amendment. We have not diverged from our views—and I own it—on the subject of protection; we stand where we stood in office and we are going to stand there. Further, we are going to do everything in our power to get the judgment of the people of Canada on the issue. We have a statement of our faith in that respect on the records of this House; there it has been since the first day of this session, and there it will stay until it is moved and discussed in parliament. But if we had included in the amendment a declaration with regard to protection, duplicating our other declaration of faith, hon. members to our left would have said: Oh, the rest of your amendment is all right; we are with you on economy, we are with you in reduction of taxation, but there is that protection declaration—we have to vote against you on that account. But this time they have no such excuse. This time the sincerity of their professions on this question are to be tested. This time the country is going to know whether hon. members to my left are more interested in continuance in office of this government than in the adoption of sound principles of public administration.

As for this government I can make no such appeal to them. They are interested in one thing, so far as I can see, and one thing only—the retention of power. But I do ask them to have some regard, before it is too late, to the actual condition of this Dominion. I do ask them to adopt principles and practices, both of administration and of fiscal policy; I do ask them to adopt such courses as will relieve the discouragement of industry, the lassitude of trade and the wastage of population which confront us now.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the rules of this House have been so arranged as to make possible a discussion on particular occasions of matters of great concern to the country as a whole, and at such times the House and the country have a right to expect that the topics which are the subject of consideration will be brought under review particularly by the party leaders in the House. It is customary on the occasion of the budget debate for all political leaders to discuss the budget proper. A time has been set apart for the discussion of railway problems. In order to permit of the fullest possible discussion, matters relating to railways are referred to a select committee of the House with power of examining in detail all the questions involved of calling witnesses and going into all the facts and figures and circumstances relative to the railways of the country. When the report of the committee is presented to the House, it is reasonable to assume that railway matters will then and there be considered and that every member will be prepared to discuss them. But I submit, Mr. Speaker, that when we come to discuss the budget, if we are to follow established precedent we have a right to expect from the right hon. leader of the opposition (Mr. Meighen) a discussion, if not, above all else, at least in some measure, of the fiscal policy of the country. He told us this afternoon that he regarded the fiscal policy of the country as an all-important question. I think we will all agree with him in that, and I think it goes without saying that the time for the discussion of fiscal policy is when the House is assembled for that express purpose, namely, to debate the budget. Instead we have listened this afternoon to a discussion on the part of the right hon. gentleman which has had to do almost exclusively with railway matters.

We are told by the right hon. leader of the opposition himself that he does not intend to discuss the fiscal policy at this time. Well, Sir, I do not know what motive my right hon. friend has in mind in not wishing to discuss the fiscal policy, in not wishing to bring forward his own fiscal policy and have it made a subject of debate here, unless it be that he is either ashamed or afraid of his own offspring. On the eve of the assembling of this parliament my right hon. friend issued a manifesto to this country, a manifesto dealing with fiscal matters. The House had every reason to expect that when we came to a debate on the budget, my right hon. friend would move as an amendment at the first opportunity, as he had the right and privilege to do what he had set forward as the fiscal policy in which he believed. Did he adopt that course? He was careful when the House assembled to place on the order paper in the

form of a notice of motion this statement of policy to which I refer and which he had first given to the public through the press as a manifesto. He knows the rules of the House, better I will pay him the compliment of saying—better I believe than almost any other hon. member, and he knew as well as all hon. members assembled here know, that the time to debate a question of that kind is when the budget resolutions are before this House. When he placed his resolution on the order paper, he also knew as well as every other hon. member that the chance of the resolution coming up at an appropriate moment for discussion before the budget was introduced was remote indeed. I say, Mr. Speaker, that my right hon. friend this afternoon as the leader of a party has been departing altogether from the spirit of the rules of this House in having selected this occasion to discuss, practically exclusively, railway matters, and in omitting altogether to discuss the great question of fiscal policy, on which his party has one view, and on which hon. members in the rest of the House have another.

May I further point this out? If my right hon. friend really desired to have his fiscal policy considered, he could at any appropriate time in this debate have done so by speaking on the budget. He has carefully waited until virtually the last moment of the last day, after this House has been discussing matters pertaining to fiscal policies for a month and a half, to tell us he does not propose to discuss at all at this time the fiscal question, which, mark you, he says is all important. Well, the public will draw its conclusion, just as every hon. member will draw his conclusion, with respect to what my right hon. friend has had in mind. The truth of the matter is that he knows, and knows very well, that had he presented his resolution, had he presented his fiscal policy in the form of an amendment to the budget, it would have been so overwhelmingly defeated in this House that he would have been even more ashamed of it than he is at the present time.

My right hon. friend began his address by making reference to the length of this debate. I should like to say just a word or two following him in that regard. When the government called parliament together early in the month of February, it did so with the hope and expectation that the business of the country would be expedited, that the convenience of hon. members would be consulted, and that, the government being prepared to bring down its measures rapidly as opportunity permitted, it would be possible for this House to adjourn before the end of the spring days or at any rate before the beginning of the summer days, thus suiting the convenience, as I have already said, of most of the members of the House, and certainly also meeting with the wishes of the general public, who, I think, do not like to see time indefinitely consumed here to no particular purpose. Having that object in view, the government presented to this House almost on the day of opening, certainly as soon as opportunity permitted, the Auditor General's report in its complete form. The government brought down as soon as opportunity permitted the estimates and placed them on the table of the House. The debate on the Address was a short one. The government was proceeding with business rapidly, and I think every hon. member felt that the session had opened in a manner which promised rapid and expeditious disposal of the several questions that were to come before the House. Then, for some reason or other, we began to meet with protracted discussion. Hon. gentlemen opposite, my right hon. friend and those who sit about him, began to protract and delay the proceedings of the House in a most inexcusable manner and, I might add, in a manner without precedent.

When the government signified its intention of introducing an ocean rates control bill, it was intimated by the hon. Minister of Trade and Commerce (Mr. Low) at that time that before the House would be asked to pass on the measure itself, the bill would be referred to a select committee of the House, where the fullest opportunity would be afforded to go into all details. Hon. members were told that the committee would have the full powers, given such committees. In accordance with customary procedure we then started in briefly to discuss the resolution, as a preliminary to bringing in the bill itself, and while the resolution was under discussion the House was assured over and over again that the questions which were being asked at the time could be answered more satisfactorily if the measure were in committee. In view of this fact the government repeatedly made overtures to hon. gentlemen to allow the measure to get to a committee and save the time of the House. But what did hon. gentlemen opposite do? They kept up a debate day after day, until fully seven days of the time of the House were consumed on the resolution before the bill was even introduced, and when finally the government decided that a vote on the resolution must come some time, they complained they

had been badly treated because a vote was taken at the end of this seven days' debate. I have said, Mr. Speaker, that that kind of procedure is without precedent so far as dealing with a preliminary resolution of the kind is concerned.

May I now show the House how different the action of this government was from the action of hon. gentlemen opposite under similar circumstances? We have heard a great deal from my right hon. friend this afternoon with respect to the deficits on the National Railways. How were the National Railways acquired? Who was responsible for the acquisition of the major portion of the National Railways? A colleague of my right hon. friend opposite was the one who brought in the resolution for the acquisition of the National Railways. Now in the case of the acquisition of the National Railways, there was a necessity as in the case of the contract for the control of ocean rates, to precede the bill itself by a resolution. What position did the government of which my right hon. friend was a member take with respect to that resolution? It contended that the House had not even the right to debate the resolution. It would not allow one hour's debate on the resolution for the acquisition of the Grand Trunk Railway system.

Mr. MEIGHEN: Has the hon. gentleman got the quotation there?

Mr. MACKENZIE KING: Does my right hon. friend deny it?

Mr. MEIGHEN: I have not the slightest recollection of it, and I do not think it is correct.

Mr. MACKENZIE KING: I think I am coming to know my right hon. friend's methods. I thought he would say exactly what he has just said so I brought the Hansard with me. I have in my hand the Hansard of the second session of 1919, volume II, page 1012, and where I find the following:

GRAND TRUNK RAILWAY SYSTEM

Resolution Respecting its Acquisition by the Government

Hon. J. D. Reid (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Then follow three columns of Hansard setting forth the resolution for the acquisition of the Grand Trunk Railway system. It goes on:

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

Mr. Devlin: Mr. Speaker, I would like to ask the minister—

Mr. Speaker: The motion is not debatable. Of course, if hon. members desire that a vote be taken on the motion, that would be quite in order. Is it the pleasure of the House to adopt the motion?

Some hon. members: No.

Some hon. members: Carried.

The House then divided on the motion of hon. Mr. Reid which was agreed to on the following division:

And the division is there recorded.

Mr. MEIGHEN: The right hon. gentleman quoted the Speaker's ruling. The government did not ask for it, and my right hon. friend quoted nothing to that effect.

Mr. MACKENZIE KING: My right hon. friend has the finest sense of chivalry and loyalty of any man I know! I have quoted the record showing what was done at a time when the Speaker of his own party was in the chair, and when action by the Speaker was asked by one of his own colleagues in the ministry. He turns round here when the Speaker is no longer in the House and asserts such a pretext as that.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: Rubbish. The minister never asked for it.

Mr. MACKENZIE KING: I tell my right hon. friend that the country as well as the House is beginning to understand his methods and his actions.

Mr. MEIGHEN: Nonsense.

Some hon. MEMBERS: Try again.

Mr. MACKENZIE KING: What did my right hon. friend say this afternoon in another effort to deceive the country? He began quoting figures with regard to immigration costs. He began by saying that the government had increased the outlay on immigration by more than a million of dollars, and when I asked him if he was including in that statement the cost of the Wembley exhibition which amounts to over a million dollars, the right hon. gentleman said "I do not know, my secretary got this memorandum." In the former case to which I alluded the right hon. gentleman blamed the Speaker, but in this instance he puts the blame on his private secretary.

Mr. MEIGHEN: Rubbish. I said my secretary got it from the Immigration department and I took full responsibility. Was it any crime to get it? If the statement was wrong ask the minister why it was wrong.

Mr. MACKENZIE KING: The responsibility devolved upon my right hon. friend to

satisfy himself in advance that the figures he was giving the House and the country were correct before he used them.

Mr. MEIGHEN: I took the minister's word for it.

Mr. MACKENZIE KING: I think hon. members of the House will know what value to attach to the other statements which my right hon. friend gave this afternoon and which I venture to say are in every particular as misleading as the two particular instances I have just mentioned.

Now, Mr. Speaker, let me continue with respect to the delay there has been. Perhaps my right hon. friend will dispute even this: The next measure that was brought forward—related to canteen funds. Because the government knew that the returned soldiers were anxious to have legislation affecting their interests introduced without delay—this measure, intended to be followed by others, was brought forward in the House at an early date so that it might go to the Senate as soon as possible, and that no question would arise there of full opportunity not having been given for consideration. That was the bill respecting the canteen funds.

Mr. ARTHURS: That has nothing to do with the returned soldiers.

Mr. MACKENZIE KING: It has to do with matters in which the returned soldiers were interested.

Mr. ARTHURS: It has nothing to do with the Pension Act.

Mr. MACKENZIE KING: The soldier is vitally interested in the question of canteen funds, and the intention of the government, as soon as that question should be disposed of, was to bring in other legislation of interest to returned soldiers. Nevertheless when that particular matter was brought before the House hon. gentlemen opposite took up three days debating the resolution. Now, that resolution passed this House last session as did the bill based on it. It contained no new features; the whole effect of it was in accord with—

Mr. ARTHURS: The right hon. gentleman is absolutely wrong in the assertion that this measure was before the House last year.

Mr. BELAND: It was passed last year.

Mr. ARTHURS: The canteen bill?

Mr. BELAND: Yes.

Mr. MACKENZIE KING: When my hon. friend's constituents read his remarks this afternoon they will wonder what he does with his time while away from home. The records of parliament speak for themselves. I repeat, the measure passed this House last year and my hon. friend possibly may find that he took part in the debate.

Mr. ARTHURS: The right hon. gentleman is distinctly mistaken in saying the measure was passed last year; it was thrown out by the Senate.

Mr. MACKENZIE KING: The measure was not thrown out of this House, it was passed here. I am speaking of this House not of the Senate.

Mr. ARTHURS: I want to ask—

Some hon. MEMBERS: Order.

Mr. DEPUTY SPEAKER: I must ask that the hon. member be allowed to put his question if the Prime Minister consents.

Mr. ARTHURS: I merely wish to ask a simple question: Was the canteen fund bill thrown out by the Senate last year?

Mr. BELAND: Yes it was.

Mr. MACKENZIE KING: The point I wish to bring to the attention of the House is this—that three days of the time of parliament were taken up by, I think it is fair to say, wholly unnecessary discussion.

Mr. MANION: May I just interject the statement that we took parts of three days not three full days, and that we agreed with the government to finish at a certain time. That agreement we lived up to.

Mr. MACKENZIE KING: The greater part of three days was consumed as I have indicated.

Mr. MANION: Part only.

Mr. MACKENZIE KING: The point I wish to make is this: For reasons best known to hon. gentlemen opposite there has been evidence, not only in this debate but in the case of the other two matters to which I have referred, of a deliberate effort to protract the proceedings of this parliament. The reason of it, if I am not misinformed, is that hon. gentlemen opposite have it in their minds that the government has thoughts of appealing to the country this year, possibly in June, and they are going to take good care that the government will not be given a chance to make the appeal at that time.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: A higher compliment could not be paid the administration than that at all costs they must be kept in office, and that all through this discussion, which has been running on for a month and a half—during which hon. members have discussed all kind of topics pertaining to all parts of the country—we have not heard either from hon. gentlemen opposite or any of the other groups, the slightest demand to this government to make an appeal to the people and test public opinion.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: I tell the right hon. gentleman that what he is saying is not true. The demand has been made over and over again in the debate, and I make it now.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: My right hon. friend had better stay in the chamber and hear the debate.

Mr. MACKENZIE KING: My right hon. friend might put that in the form of a motion and let us debate it.

Mr. MEIGHEN: Give us a day for it.

Mr. MACKENZIE KING: I mention these facts because I think the country is entitled to some explanation as to why the proceedings have been protracted in this way. May I say with regard to the present debate that I believe it is the longest budget debate that has ever taken place in this parliament. Certainly it is the longest that has taken place in the last thirty years, and over a budget that is in the main non-contentious. What has been the nature of the debate? Most of the time has been taken up by hon. gentlemen of the official opposition in saying that the government should have put the tariff higher, and by hon. gentlemen of the Progressive group in saying that they were not satisfied because the government had not made the tariff lower. As a government we are being condemned by hon. gentlemen opposite not because they agree. If they join together in a vote against the budget their vote will only have this significance, that we are being censured because at one and the same time we have not gone in diametrically opposite directions. That is the force of the opposition that has occupied a month and a half of the time of this parliament, the government is to be criticized because it has so sized up public opinion in Canada to-day and in this House that it seeks to avoid an extreme in either direction, and to do at the present time the thing which the moderate, sensible people of this country wish to be done.

It may interest hon. members to have a review of the length of time that has been spent year by year over the last thirty years in debating the several budgets. In twenty-three years of the last thirty the debate on the budget has not occupied a longer time than ten days at the outside. In several sessions it has not occupied more than five days and in some sessions but one or two days. In 1896 it occupied twelve days. That was just before an election and probably at the present time some hon. members feel it is necessary to speak on the budget because they think there is a possibility of an election coming on in the near future. In 1915 the budget debate lasted thirteen days. In 1902 and in 1922 the budget debate lasted fourteen days. Last year it occupied nineteen days. In 1900, before the general election of that year, it lasted twenty-three days. This year the debate has run into twenty-four days. We began on the 24th March and to-morrow will be the 1st May. The time of the House, with the exception of a brief adjournment at Easter and the ordinary adjournments over Saturday and Sunday has been given continuously to the discussion of this budget.

Mr. LADNER: Have the hon. gentleman's followers not taken one-half the time?

Mr. MACKENZIE KING: No, they have not. I am glad my hon. friend asks that question, because if he looks at the records he will find the greater part of the time has been taken up by himself and those who sit around him.

Mr. MEIGHEN: That is not correct. It is not within a mile of the fact.

Mr. MACKENZIE KING: We are not discussing distances, but time.

Mr. MEIGHEN: Will my hon. friend give the pages?

Mr. MACKENZIE KING: May I now come to what in other particulars has been the nature of the criticism directed against the government. It has been in part along the line taken by the right hon. leader of the opposition this afternoon. First of all, there has been criticism of the manner in which the public accounts of the country have been made up. In the next place there has been criticism of the method in which the budget has been presented and the time at which it was introduced, and finally there has been the amendment of the ex-Minister

of Finance (Sir Henry Drayton) and the different points referred to therein. I think in these particulars we have summarized fairly well the nature of the opposition which has come from hon. gentlemen opposite. May I say that I think it ought to be possible for hon. gentlemen in this House to debate public questions without either impugning the honour of ministers of the crown or the integrity of government officials. It is because hon. gentlemen opposite, including my right hon. friend this afternoon in the course of his remarks, have descended to that level, that I wish to take the strongest possible exception to the nature of the pronouncements they have made against the government and one of its honourable members, as well as against members of the public service of the country. My right hon. friend last year—and hon. members opposite have done the same thing this year—insinuated that the government in some way caused the public accounts to be made up in a different fashion from the form in which they had been made up hitherto. In fact, the sole point of my right hon. friend's remarks this afternoon is that the government has not taken into account in connection with the discussion of the government services as such and what relates to the government services as such, the railways and facts and figures relating thereto. There has been a direct statement—I will not call it an insinuation, although it started as an insinuation, and, as in the case of many other things oft repeated, those who repeated it have come to believe it themselves, it comes now to a direct statement—that the government has changed the method of making up the public accounts so as to deceive the House and the country. Hon. gentlemen will recall that over and over again we heard the statement that we had not included in our public accounts as contributing to the net consolidated debt the guaranteed and unguaranteed amounts which the railways had expended and which they say we should have included, and further that by not so doing we were altering the method of bringing the public accounts before the people of this country. Hon. gentlemen opposite, when they were confronted with the sworn statement of the auditors who in their day audited the books of this country, found that while they might make that assertion a few times they could not make it indefinitely, and so they have abandoned it as my right hon. friend abandoned it to-day, and have come now to make the statement that it is not the books of the country that have been altered, but it is the method of the presentation by the Minister of Finance of the accounts of the country.

[Mr. Mackenzie King.]

Let me come to the statement of the books of the country. In the year 1920, the then Minister of Finance, the present member for West York (Sir Henry Drayton) called in a firm of accountants from the city of Toronto to go over the books of the Finance department to see if they were kept in a proper way and to audit them. I think it was a wise and desirable course to adopt. There had been large expenditures during the war. The minister wished to have a sense of security that in these vast outlays there had not been too much in the way of confusion; and he brought in a firm of auditors and gave them not only the task of auditing the books of the Finance department but gave them also the further task of straightening out the accounts of the Finance department in such a way that they would more readily compare in form with the methods adopted by great financial institutions or railway companies and industrial concerns. I will read to the House the statement that appears in the report of the Deputy Minister of Finance in the Public Accounts for 1920. It is as follows:

> In carrying out the policy of making the balance sheet simple and illustrative its usual form has, under the personal supervision of Mr. George Edwards, F.C.A., C.B.E., of the well-known firm of Messrs. Edwards, Morgan and Company, Chartered Accountants, head office in the city of Toronto, been revised and set up in a manner more in conformity with those of banks, railway corporations and other financial institutions. Mr. Edwards and his firm have given considerable attention to this revision without remuneration. The revised balance sheet will undoubtedly be favourably received by outside business concerns.

Then there is the certificate of the firm of Edwards, Morgan and Company, chartered accountants, dated Ottawa, December 1, 1920, which appears in the Public Accounts 1920, at that time:

> We have examined the balance sheet of the Dominion of Canada (shewn herewith) as of March 31, 1920, also the expenditure and revenue account for the fiscal year ended on the said date, and have verified the same by reference to the Dominion ledgers. We certify that the above-mentioned statements accurately set forth the matters therein referred to, and are as shewn by the said books.
>
> Edwards, Morgan and Company,
> Chartered Accountants.

That is the firm this government retained to examine the public accounts and books of the Finance department last year, after hon. gentlemen opposite had said they were made up in a different fashion. We asked them to certify to parliament as to whether or not any change had been made in the manner of presenting the public accounts. This is the certificate which that firm has given, a firm

which I wish the House to remember was retained by hon. gentlemen opposite in the first instance, and which was requested by this government to certify whether there had been any change in the method by which the public accounts for 1924 were made up. This certificate appears in the Public Accounts of this year:

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

With that certificate before us, can any hon gentleman any longer argue in this House or in this country that the present government has sought in any particular to deal dishonestly with the House or with the public in separating the railway accounts from the rest of the public finances? I marvel at hon. gentlemen opposite daring to suggest such a thing. It is not patriotic. It is not honest. It is not true. Talk of deceiving the public—that is the way to deceive them. I say that it cannot again be questioned that, as regards the railway accounts, this country from the beginning of confederation down to the present time has kept the railway accounts separately with respect to guaranteed and unguaranteed amounts, and if this government were to change that method, it would only serve to bring confusion into the whole national situation by making impossible comparisons between the cost of government to-day with the cost of government in previous or succeeding years and the cost of national control of railways, a matter which is being given a fair trial at the present time.

Let me say a word in regard to this matter of the control of the National Railways and the bringing of their accounts into the government accounts. First of all, I would ask hon. gentlemen: Who was responsible for having the Grand Trunk railway system being made a charge upon this country? Who brought into being the National railway system as we have it at the present time, or rather not as we have it at the present time, because this government has organized by legislation efficiency out of the chaos left by the previous administration? Hon. gentlemen opposite were the ones who, by act of parliament, decided that this bankrupt railway system should not be allowed, as has been done frequently in the United States, to go into liquidation, but instead should be bought at a particular price in the condition it was in and made part of the National system. It is very fine for my right hon. friend and his friends to turn round now and try to indict this government and this party for enormous expenditures which, he says should not have been added to the debt of this country, when as a matter of fact we have had no responsibility whatever in the initiation of that policy. We have a responsibility in the matter of carrying on the control of the railways, and I shall endeavour to show, as I continue to speak, how we have sought to discharge that responsibility and what we have done in that connection. It will reflect very favourably, I can assure the House, as compared with the methods of my right hon. friend during the short time he had control.

The point I wish to make here is that the National railways were turned over to the government, and when this was done, the government had to decide upon one of two policies. I am going to submit this to the fairness of the hon. members of the House and of the country. The two policies that were possible in connection with this vast railway system were: Either to administer the system as a part of the government business of the country under the control of a minister of the crown who would be responsible for everything that was done, who would have the complete direction and control and who would have to give an accounting to the country; or to take the National railway system entirely out of the control of politics and entrust it to a president, board and a set of officers, who would be assured that they would be given a free hand and that there would be no political control at all from the government's point of view. Those are the only possible alternatives. We adopted the latter, believing that that was most in accord with public opinion, that it would give, as nothing else possible could give, a fair chance to the National railways to show whether they would pay or not. But I ask hon. members: Having done that, having parted with control, in deference to public opinion, and I might say, in accordance with the unanimous wish of this House, because there is not an hon. gentleman opposite but said that that was the policy that ought to be adopted, are we to be held responsible and the government blamed for all the expenditures, all the debts, all the difficulties that arise in connection with the

National Railways? If we are to have responsibility, then we must have control; but if we have not control, we cannot be held responsible at the same time for the methods or consequences of administration.

I think the country is pretty well satisfied, despite whatever my right hon. friend may say about Sir Henry Thornton or the gentlemen who surround him, that Sir Henry Thornton was the ablest executive it would have been possible to find anywhere. If the roads can be made to pay at all, they can be made to pay better under his direction and guiding genius than under the direction and guiding genius of any other person these gentlemen can name. The government will take responsibility for the appointment of Sir Henry Thornton. That was our responsibility. We took our time; we made inquiries in as many directions as possible; we moved cautiously; We considered different railway executives and when we had come to the conclusion that we had found the one man that we really believed possessed the qualities to make the National system a success, if it could be made a success, we took the responsibility of offering him the appointment. If he had failed, ours would have been the responsibility for the poor executive we had chosen. In the first talk I had with Sir Henry Thornton, I told him that the responsibility would be upon him and his officers for the running of the road; that there would be no interference in the nature of political control with them so far as it was possible for me or any of my colleagues to prevent it, that they would have a free hand. Sir Henry Thornton was equally frank in saying that he would not undertake the responsibility of administering a system as vast as that on any other basis.

Having parted with and given to Sir Henry Thornton that right of control, and the country having endorsed that proceeding, is it right to say that this government must bring into its public accounts to-day the whole accounts of the Canadian National system when such a course has never been adopted before at any time and when such a procedure would serve only to create confusion? The Acting Minister of Finance (Mr. Robb) never for one minute claimed that the surplus he spoke of or the figures he gave to the House related to other than ordinary government business as is so understood. He made it perfectly clear to the House that there was to be considered by this parliament at this time the ordinary government business; that there was the railway business also to be considered but at the appropriate time. If we understand that there can be no room for difference between us. I agree with the view that every dollar of public expenditure that the railways incur is an expenditure of which account should be taken in estimating the finances of the country. But there is this vast difference between the railway and the ordinary business of government. The railway is in the nature of an industrial enterprise, conducted from a financial point of view for the purpose of profit or gain. The business of the government is not of the same character. The National railways are an industrial corporation, taken in hand by the state for a short time or for a longer period, as time may disclose, but this administration is a wholly different kind of business from the administration of the affairs of a country. I think hon. members will agree with that; I am sure the country will. This financing is done in calendar years, ours in fiscal years ending with March 31. From now on, so far as my discussion of the matter is concerned, I shall keep to the line which the Acting Minister of Finance adopted, which the officials of his department advised him to adopt, which hon. gentlemen opposite adopted when in office, and which will have to be followed in future if we are to avoid the sort of confusion which has been thrown into the debate to-day by the speech of the leader of the opposition wherever we fail to keep separate the ordinary business of the country from the finances of the railway system.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, before recess I was endeavouring to make clear that the government in the presentation of its financial statement to the House had no desire other than to give to the House and to the country the fullest information on the financial situation, and that we were following in our budget presentation this year and last year, the methods followed in previous years by this administration and by previous administrations. I was pointing out also that we felt it would not be in the interests of the government services, in the interests of the railways, of the public, or of parliament, to occasion confusion by changing these methods in such a way as to bring all the railway business into the discussion of the fiscal questions involved in the presentation and consideration of the budget address. I want to

repeat that in what I have to say to-night about the finances, answering my right hon. friend, I do not intend to take account of railway finances at all except to refer to the expenditures made during the time we have been in office as compared with those made under the administration of my right hon. friend and his party. There has been no desire, in the presentation of the financial statement, in any way to mislead or deceive the country. The government wants the country to understand that it is keeping the whole railway situation separate and distinct from the general finances. We are prepared to admit all that the committee that has been specially appointed to look into the railway situation find to be the deficit of the railways year by year after having had an opportunity of examining expert witnesses and getting all the facts. We have no desire to conceal anything. Our policy with respect to the National railways is to give government ownership a fair chance—as fair a chance as it is possible to give it in the face of the tremendous handicaps that the National system has fallen heir to through the manner in which it has come into being. In other words, this bankrupt system was taken over by our predecessors and it has to be carried on by us; I doubt very much whether government ownership is getting or can possibly get a fair trial under an inheritance of that kind. However, it is in no way the fault of this administration that the inheritance is what it is. We are responsible for taking circumstances as we find them and doing the best we can to give the railways every possible chance. That was our policy as enunciated when the government came into office; it was stated as our policy when we made our appeal to the people, and it is the policy which we intend to follow in dealing with these railway matters. We do not intend to confuse the railway situation with the other business of the country, that is to say the ordinary business of government.

As I have pointed out, the criticism of the opposition against the government has been, first of all, as to the method in which the public accounts have been presented. I think I have made it very clear that there has been no alteration in the method of presenting the accounts. There was the further charge, or insinuation, if it was not a charge, that the Acting Minister of Finance had presented his figures in a way that was different from the method ordinarily followed. I wish again to assert that there has been no change in that particular. The method followed by the minister, as must be apparent to anyone who will give the matter careful study, is on all-fours with the method always followed by finance ministers in presenting their financial statements to the House. The custom is this: The Finance Minister first of all states what his total revenues are. He deals with the preceding year, then he deals with the year which he is presenting his estimates. In dealing with the preceding year he states what his revenues have been; then he goes into the matter of ordinary expenditure. He sets out the ordinary expenditures, then certain outlays on capital account, then outlays on special account. These are presented as a first statement, set off against the revenues. In addition, he presents another statement of indirect liabilities which are a charge upon the public debt of the country which go to make up the total net consolidated public debt. These figures include cash advances made by the government to railways, loans or cash to such institutions as harbour commissions, payments on account of the merchant marine—in other words, services that are not regarded as part of the ordinary services of the government, but involving advances which, nevertheless, constitute liabilities and which have to be taken into account in estimating the net consolidated public debt. Now, that is exactly what my hon. friend has done; in all particulars he has presented his statement in the usual way. Then, he has said there are in addition, the railway finances to be taken into account.

The right hon. leader of the opposition insinuated, if he did not directly charge it, that the Acting Minister of Finance, in bringing down the budget before we had entered upon the new fiscal year, had some ulterior motive in view. My right hon. friend sought to leave the impression that this should not have been done; that he was surprised at the precipitate manner in which the government had brought on the budget; and the inference thrown out was that the Acting Minister of Finance for reasons best known to himself wished to have the budget over before the figures of the year were complete. Well, I want to tell my right hon. friend that in presenting his budget the Acting Minister of Finance was careful in every particular to underestimate the revenue of the country and to overestimate the expenditure. Had he waited till the fiscal year was ended, he would have been in a position, as I am to-night, to present a much more favourable statement to the House of Commons.

Before giving to the House the figures, let me correct the false impression my right hon. friend sought to create as to the method of

procedure and the time at which the budget should be brought in. My right hon. friend knows very well that the proper thing to do is, if possible, to bring the budget in and have it discussed before the old fiscal year is over and the new fiscal year to which it also relates begins. Our fiscal year for many years ended on June 30th, not on March 31st, as it does at the present time. It was in 1906 that the change was made to March 31st, and from 1890 down to 1906, with the exception of the one year, 1905, the budget was brought into this House before the expiration of the fiscal year on every occasion. Remembering that the fiscal year from 1890 to 1906 ended on June 30, the budget on one occasion during that period was brought down in January, once in February, six times in March, three times in April, three times in May, and twice in June before the month was out. After 1906 the budget was brought down before the end of the fiscal year in 1907, 1908, 1910, 1911, 1912, 1915 and in 1916. In fact, it is only of very recent years that it has been as late in coming down as we appear to have witnessed it here. In 1919 it was brought down on June 5, very late; in 1920, it was brought down on May 18, also late, the business of the country being somewhat delayed as a consequence. In 1921, 1922, and 1923 it was brought down in May. Last year it was brought down on April 10, and this year it was brought down on March 24.

The government, if anything, is entitled to credit for having endeavoured to expedite the business of the House by bringing the budget in at a much earlier stage. Indeed, if it had not been, as I pointed out this afternoon, for the manner in which debates were protracted before the budget was brought in, the government was ready a fortnight before, as I stated to the House at the time, to present the budget, and the budget making allowance for a period of nearly a month for the purpose of its budget debate, might well have been out of the way before the Easter recess and we would then have been free after the Easter recess to get along with the other important measures to be dealt with by the House.

Hon. gentlemen opposite are making inquiries from time to time as to when certain particular measures are going to be introduced. How is it possible for the government to say what it is going to be possible to do this session when we are confronted with the kind of protracted discussion that we have met with in the last two months? I will have something further to say about that before the debate concludes, but I just wish to make plain to hon. gentlemen opposite that the government has been ready to proceed with its business expeditiously, has had its measures in readiness and has been awaiting an opportunity to get them before the House for discussion at as early a date as possible. If some measures fail of discussion the fault will not be with the government, but with the circumstances that we have been unduly hampered as all hon members know, in the manner in which I have described this afternoon.

Now let me give the figures of my hon. friend the Acting Minister of Finance. He presented his budget on March 24th, and today is April 30th. The fiscal year having ended on March 31st it is now possible to give with greater accuracy just exactly what the revenues and the expenditures are likely to be for the past year. My hon. friend the Acting Minister of Finance gave as his estimate for ordinary revenue $344,000,000. Now the figures which I shall give at the present time I am assured are still an underestimate; they are still erring, so to speak, on the safe side, so that when the final statement is given, when all the revenues are in, they may be expected to run beyond the figures which I now give. The latest estimate is that the ordinary revenue will be not $344,000,000, but $344,700,000.

Now as to the expenses of the government. My hon. friend has considerably over-estimated here. He gave as an estimate for government services $342,177,000. As a matter of fact, the expenses for government services will not exceed $339,884,000.

The surplus which he estimated on government services, and I ask hon. members to note that he laid no claim to this being a surplus on the score of the net consolidated debt, it being stated that it was a surplus only on the ordinary business of the government, was $1,823,000. The latest estimate indicates that there will be a surplus on government services of revenue over expenditure of $4,816,000, or an increase above what my hon. friend the Acting Minister of Finance gave the House of $2,993,000.

Now of other receipts of which my hon. friend made no mention, namely, receipts by way of special revenue, a total of $725,000 has come into the treasury.

Other expenses—this is the part that goes to make up the total debt—my hon. friend estimated would total $19,527,000. In that he included the cash advances that would be made to the railways. As a matter of fact, these other expenses, instead of totalling $19,527,000 will probably not total $11,602,000; in other words, my hon. friend over-

estimated expenses there to the extent of $7,925,000. In statistical form the figures are as follows:

Estimate Fiscal Year 1924-25

Item	Budget Estimate March 24	Latest Estimate April 30
Ordinary Revenue.	$344,000,000	$344,700,000
Expenditure—Government Services..	342,177,000	339,884,000
Surplus, Government Services..	1,823,000	4,816,000
Other receipts:		
Total Special Revenue..		725,000
Other Expenditures, total.	19,527,000	11,602,000

Summary

Increase of surplus, government services, over budget estimate..	$2,993,000
Special revenue not previously taken into account..	725,000
Reduction effected in "other expenditures", previously over-estimated..	7,925,000
Total savings over budget estimate..	$11,643,000
Increase in public debt estimated in budget	$13,703,000
Deduct savings over budget estimate.. ..	11,643,000
Increase net consolidated public debt, according to the latest estimate..	$ 2,059,000

These figures disclose that the increase in the net consolidated public debt of Canada for the year 1924-25, made up as the net consolidated debt of Canada has been made up from the days of confederation down to the present time, will not exceed $2,059,000, and this in the year following the budget in which the government made the large reductions which it did in the customs tariff, removed a large proportion of the sales tax, and relieved the people of this country from a very considerable tax burden.

Now what have my hon. friends opposite to offer? They have criticized our method of financing; what have they to offer in place of it? The ex-Minister of Finance (Sir Henry Drayton) in his amendment says we ought to reduce the sales tax and other levies. The hon. member for Vancouver Centre (Mr. Stevens) said that we ought to reduce the income tax, and he was also a member of the previous administration, a former minister of the crown. Then the ex-Minister of Finance (Sir Henry Drayton) made another statement. He said that the $700,000,000-odd worth of imports into this country should never have come in, that we should have manufactured all the things represented by those imports at home. My right hon. friend the leader of the opposition says that his remedy is "protection, protection, more protection; put up the tariff" and his former Minister of Finance says that to the extent of $700,000,000 the goods that are coming in and that yield a revenue should be kept out. The government, in the opinion of my hon. friends opposite, ought to lower the sales tax, lower the income tax, and give up customs duties, and still carry on the business of this country, two-thirds of which is in the nature of uncontrollable expenditure, two-thirds of which is in the nature of money which has to be collected by the government, acting more or less as a collecting agency, to pay the interest on the public debt, to pay for pensions, to pay bondholders, to pay subsidies to the provinces, and to meet different items over which the government has no control whatever. It is easy for hon. gentlemen opposite to talk about reducing taxation all along the line, but you cannot reduce taxation all along the line in this general fashion and at the same time carry on the government of Canada. Conditions in this country are different from what they have been at any preceding period in the country's history; and sources of revenue are required without which we might possibly be able to get along were it not for the conditions resulting from the war.

Now may I come to the suggestion which the ex-Minister of Finance makes in his amendment, and which the right hon. leader of the opposition says affords common ground on which both the members of the Progressive party and his own followers can vote against the government. I will read the amendment as it has been moved:

Moved by Sir Henry Drayton, seconded by Mr. Baxter:

Conditions in Canada urgently demand reductions of taxation, especially of the sales tax and other levies which have been increased by the present government, and the House regrets that the financial statements now presented show no evidence of the economy necessary to make such reductions possible but rather disclose an alarming increase in the public debt.

An examination of that amendment will disclose that for the most part it is in the nature of mere generalities and platitudes, intended, as the right hon. leader of the opposition frankly admitted this afternoon, to carry the support of both sections of what he speaks of as the opposition, and that for the rest, it contains statements that are not only misleading but which are untrue. It refers to "an alarming increase in the public debt." Now the increase in the public debt this year, as I mentioned a moment or two ago, will not exceed between two and three million dollars. That is the alarming increase that my hon. friend speaks of, and that in the light of the fact that the government has saved to the

country some $30,000,000 odd of taxation as the result of the tariff changes made last year. I think I shall be able to show that in other particulars the statements set forth in this amendment do not deserve the support of hon. gentlemen, at any rate those of the Progressive party.

In the first place what do the statements as brought down show? My right hon. friend this afternoon said he would review the government's situation during the last three years. Well, I will take the last three years and I will be a little fairer than he is. I will compare our record of the last three years, not with the previous three years, but with the previous two years, and I state to the House that the record shows that with respect to financial matters there has been an improvement, first of all, on ordinary business account; in the second place, in respect to the railway accounts, and in the third place, with respect to the combined debt including all the accounts that can be possibly brought together. In all these particulars this government's record of three years of expenditure will show less in the way of expenditure, less in the way of public debt, than does the record of two years of the time when my right hon. friend the leader of the opposition was for the most part leading the government. What is the first fact in regard to ordinary business from the exact figures? The truth is that the previous administration in two years added $174.000,000 to the public debt. That is what hon. gentlemen opposite did in the two years 1920-21 and 1921-22. Hon. gentlemen will observe that so far as the period of the war was concerned it ran from 1914 to 1918. Then there was the period of demobilization; I am allowing two years for that, 1918-19 and 1919-20. So that I give only the period of 1920-21 and 1921-22 for hon. gentlemen opposite. In those two years they added, as I have said, to the public debt of this country, taking the figures of the debt at the beginning of the period I have mentioned in comparison with them at its expiration, the sum of $174,-000,000.

Mr. GRAHAM: That does not include the railways.

Mr. MACKENZIE KING: No it includes the ordinary business. Now what is the position of this government with regard to the public debt. Instead of adding $174,000,000 to the public debt in two years, the figures show that in three years this government has actually reduced the public debt by $3,000,000. In other words the public debt of this country to-day is $3,000,000 less than it was when this administration took office. Now may I give the actual figures. Taking the two year period, on March 31, 1920, the public debt stood at 2,248 millions. On March 31, 1921, it was 2,340 millions. On March 31, 1922, it stood at 2,422 millions, a net increase in the two fiscal years ended March 31, 1922 of $174,000,-000. Now the consolidated net public debt for the three year period that this government has been in office was as follows: For the year 1922-23 it stood at 2,453 millions; in 1923-24, it stood at 2,417 millions; and in 1924-25, it stood at 2,419 millions, or a net decrease in the three years since 1922 of $3,000,000. This is what the ex-Minister of Finance calls "an alarming increase in the public debt". I want again to make it clear that the government is not trying to make the claim that the net public debt of this country in the three years we have been in office has been reduced $3,000,000 taking into account the deficits of the railway. I say it has been decreased by that amount leaving out of account the railway situation which we will discuss by itself and for which we will take our responsibility. Let me say also that the above showing has been made in spite of the enormous burden that was left to us by our predecessors when we came into office. Hon. gentlemen opposite know there were many obligations entered into by them which had been left unfulfilled and which we had to meet, obligations that should never have been incurred but which we found on the doorstep when we came into office.

Then what is the position in regard to the railways? I am going to quote from the figures prepared by the hon. member for St. Lawrence-St. George (Mr. Marler). I do not think any hon. member of the House will feel that the hon. member for St. Lawrence-St. George has tried to underestimate the railway situation and the seriousness of it. I think he has estimated it accurately, as far as I have been able to check up the figures. I have gone to considerable trouble with regard to all the figures I have given to have them verified by officers of the Finance department and the statistical department of the government; and in giving the figures I am presenting to the House to-night I am speaking with the full sense of responsibility which I have in having to speak in the name of the government. I think my hon. friend from St. Lawrence-St. George presented a correct point of view when he said; let us, in estimating the railway business, find what is the amount of new money put into the railways, the amount of money put in by hon. members opposite and new money put in by hon. members on

this side of the House. What are the figures? I will give the three-year period first, but will still hold to what I have said that in three years this government has not put in as much new money as the hon. gentlemen opposite did in two, viz.: 1920 and 1921. Their advances of new money to the railways were as follows:

1919-20	$106,000,000
1920-21	144,000,000
1921-22	105,000,000
	$355,000,000

So that the total in the three-year period would be $355,000,000, in the two-year period the total would be $249,000,000, that is the last two years. Now take the time the present government has been in office. In 1922-23 we advanced $59,000,000. That was the first year, as against $105,000,000 advanced by the late government the last year they were in office, or $144,000,000 advanced the previous year. Our advances were as follows:

1922-23	$59,000,000
1923-24	85,000,000
1924-25	76,000,000

I am taking the latest figures as revised, for which I will vouch. In the three years we have advanced in new money altogether $220,000,000, as against $355,000,000 advanced by hon. gentlemen opposite in three years, or as against $249,000,000 advanced by them in two years. In other words we have in three years advanced $29,000,000 less than hon. gentlemen opposite did in two years. Now, take the combined debt, a phrase that my hon. friend from St. Lawrence-St. George has used, if not invented, and which I think is an admirable one to use in order to make the situation clear. Let us take the combined debt as being all that has been advanced for expenditure for the ordinary business of government, all that has been advanced by the government in cash or by way of guarantees and all the amounts raised by the National railways themselves without the guarantee of the government. What does the combined debt thus calculated disclose? It discloses an excess of expenditure under the previous administration for two years of $106,000,000 more than the expenditure of the three-year period of the present government. The increase in the net consolidated and railway debt for the last two fiscal years of the present administration was $205,000,000. The increase in the combined debt for the three-year period, net consolidated and railway, of the present administration amounts to $99,000,000, according to the latest figures. In other words the previous administration added to the combined debt at the rate of approximately $102,000,000 per year in 1920-21 and 1921-22; and the present administration has added to the combined debt at the rate of $33,000,000 per year in the years 1922-23, 1923-24, and 1924-25.

Now, may I return and present the facts of the situation with respect to the ordinary business of the country in another form which corroborates exactly what I stated in the figures I gave the House a few moments ago? One way of discussing the relative amounts paid by previous administrations is to compare the balance sheets of the different years. It will not be much trouble for hon. gentlemen to do that. If hon. gentlemen will look at the balance sheets of the different years as respects the ordinary business of the country, and will compare the relation of revenues and expenditures, it will be seen that whereas the balances of the two years of the preceding administration disclose a net deficit of $173,000,000 arising out of expenditure on account of the ordinary business of the country, the combined balances of three years under the present administration reveal a net surplus of $3,000,000. I have the figures here and if the House will permit me I will place them on Hansard without reading them. They are headed with the fiscal year, total receipts, expenditure, ordinary business of the country, advances outside of ordinary business. They indicate whether there has been a deficit or a surplus, and I have indicated clearly on this table the source of the information and any point that I think is liable to raise a question.

Fiscal Year	Total Receipts	Expenditure: Ordinary business of country	Expenditure: Advances outside ordinary	—Deficit +Surplus	
1919-20	350 millions	740 millions	46 millions	—436 millions	
1920-21	436 "	418 "	110 "	— 92 "	—173 millions
1921-22	382 "	365 "	98 "	— 81 "	
1922-23	403 "	350 "	84 "	— 31 "	+ 3 millions
1923-24	406 "	344 "	26 "	+ 36 "	
1924-25	344 "	339 "	7* "	— 2 "	

* Obtained by deducting from the advances to railways, etc., which are treated as non-active assets, the $4,000,000 from Roumania and Greece, which owing to the year's transactions has been transferred in accordance with practice in like circumstances from non-active assets to active assets.

I think hon. gentlemen will find that my statement is accurate when I repeat again that in the two years hon. gentlemen opposite were in office they left a balance sheet with a net deficit of $173,000,000, while the present administration at the end of three years can at least say it has reduced the net consolidated public debt and effected a surplus in the net consolidated debt of $3,000,000.

My hon. friend says in his resolution that the situation demands reduction in taxation; that conditions in the country demand reduction in taxation. That is a very easy thing to say, but it depends upon what one means by the expression, "demands reduction in taxation." In some respects conditions demand a very great increase in taxation. The whole capital cost of the war remains to be paid. I do not know when any of it is going to be paid at the rate of taxation we have to-day. I do not wish to debate that point, but what I wish to draw the attention of the House to is this: that while it is true always that it is a desirable thing to reduce taxation, the reason why the present government is unable to reduce taxation more than it has reduced it is because of the legacies that were left by hon. gentlemen opposite during the time they were in office. I think I can make perfectly clear that those legacies are due to the manner in which the hon. gentlemen conducted the finances of this country during the period they had control of the government. First of all, as I have said, there is the fact which stares us in the face, that cannot be denied, that the whole capital cost of the war, amounting to $1,760,000,000 was financed out of borrowed money. Not a dollar of the taxation of the people of this country went to meet the capital cost of the war and of demobilization during the six years of war and demobilization. Every cent of it was paid out of borrowed money. And yet we are blamed because we do not reduce taxation. what is the present interest per annum on that capital cost of the war and of demobilization? Something like $90,000,000. Is it fair to blame the administration for a circumstance such as that? We cannot reduce that interest until we are able to reduce the principal. We cannot reduce the principal until we have more in the way of revenue and that revenue will have to come through taxation. Not only did hon. gentlemen opposite during the period of the war finance the war on borrowed money, but they used borrowed money to the extent of $13,000,000 to meet deficits on the ordinary business of the country during that period. That is another statement that cannot be gainsaid.

In addition to that, not only did hon. gentlemen opposite carry on the business of the war by borrowing, but they financed in a way which made it very difficult for any government that succeeded or may succeed them for many years to come adequately to meet the situation. They issued large quantities of tax exempt bonds. It was one thing not to trust the patriotism of those who were in a position to afford it, to the extent of making them meet some of the expenses of the war out of taxation when men were giving their lives at the front, but it was another thing not to have enough faith in the patriotism of the wealthy men and wealthy corporations of this country to believe they would take up bonds with the government's guarantee without making those bonds exempt from taxation. That exemption from taxation comes to a very considerable sum. I have here a statement of the tax exempt bonds giving the different loans, the rates at which they were issued and the outstanding balance in 1924, and if I may be permitted to do so, I will have this statement placed on Hansard. The statement is as follows:

NON-TAXABLE DOMINION OF CANADA BONDS

	Domestic loan per cent	Original issue	Outstanding Dec. 1, 1924	
1915-25	5	$ 100,000,000	$ 42,014,500	Balance converted to later issues.
1916-31	5	106,706,300	52,931,600	Balance converted to later issues.
1917-37	5	172,926,800	90,166,900	Balance converted to later issues.
1917-22	5½	230,737,950	.....	Redeemed.
1917-27	5½	69,051,900	63,437,250	Balance converted to later issues.
1917-37	5½	246,366,450	236,298,850	Balance converted to later issues.
1918-23	5½	172,471,150	.....	Redeemed.
1918-33	5½	446,663,800	446,658,800	
		$1,544,924,350	$931,507,900	

The interest charges per annum at the above-mentioned rates of interest on the $931,507,900 of non-taxable bonds which were outstanding on December 31, 1924, amount to $50,307,369.50.

Mr. GRAHAM: That would pretty nearly run the railways.

Mr. MACKENZIE KING: Those are the figures at which hon. gentlemen financed

these bonds. I have sought to have an estimate made of how much the country loses in income tax on them. As I say, we have to meet the interest charges annually, and yet hon. gentlemen who are responsible for the issue of these bonds say that the conditions of Canada demand a reduction of taxation. Let us see how much income tax is lost on these tax exempt bonds? My right hon. friend said the other day that he did not think it was possible for an estimate to be formed showing what would be lost in that way. That is not the opinion of the officers of the Finance department who are accustomed to dealing with these matters and who think they can form a reasonable estimate, and I have the following as a basis which more or less errs on the safe side. The rate of income tax on $1,000, when the total income of the individual is over $100,000, but does not exceed the next division is $630. When the total income is over $200,000, but does not exceed the next division, the tax is $714. When the total income is over $500,000, the tax is $745.50. When the total income is over $1,000,000, the tax is $766.50. If the average income of holders of tax paid bonds exceeds $100,000,—and that is regarded as a fair estimate—the loss of revenue during the calendar year, 1925, would amount to $18,487,958. This is estimated by one-half being held by individuals, totalling $15,846,821, and one-half held by companies, totalling $2,641,137, making a total of $18,487,958. I am prepared to say that this statement may not be accurate. It is merely an estimate, but it is an estimate which financial men of experience believe to be a fair and reasonable one. It helps to show one more of the difficulties that the government faces in having to meet the financial situation when called upon to reduce taxation.

Not only did the late government finance the entire cost of the war without levying a dollar of taxation for the purpose; not only did they issue these tax exempt bonds on which there is an annual interest charge of $50,000,000 to be paid and which is costing the country in loss of income tax some $18,000,000 odd to which I have referred; but if one looks at the method of financing of hon. gentlemen opposite, he will find that the method they adopted both during and especially since the war was to issue long term loans at high rates of interest, unnecessarily long terms and unnecessarily high rates of interest. These loans cannot be called in. They fall due at a particular time and they carry till then these high rates of interest. Let me give to the House the figures with respect to some of these loans. I will not take all of them, but I will ask the House to pay particular attention to the last loan of hon. gentlemen opposite in comparison with the first loan made by the present administration. I shall not discuss loans issued during the war period, interest rates on which were high; but I shall come at once to the period subsequent to the war, subsequent to demobilization, to the time when my right hon. friend was Prime Minister of this country and when the hon. member for West York the ex-Minister of Finance (Sir Henry Drayton), who has presented this amendment to the House, was handling the finances of Canada. In October, 1920, my right hon. friend's government floated a guaranteed loan of $25,000,000 running for twenty years. The rate of interest was 7 per cent and the annual interest charge is $1,750,000. This issue sold for 96.20. In December of the same year the same right hon. gentleman floated another guaranteed loan of $25,000,000. The rate in this case was also 7 per cent and the annual interest charge is $1,750,000. This loan sold for 94.05. In February, 1924, the present administration floated a thirty-year guaranteed loan of $50,000,000. This loan bears interest, not at 7 per cent, but at 5 per cent, and the annual interest charge is $2,500,000. This loan sold at 97.81. Thus the interest charges which we are at present paying and will continue to pay until 1940 on $50,000,000 issued by hon. gentlemen opposite are exactly $1,000,000 greater than the interest charges on a like amount issued in 1924 by the present government. If we admit that interest rates in the meantime have declined, the issuing of long-term bonds when the interest rate was at its peak of 7 per cent, amounts to a glaring instance of financial incapacity.

Sir HENRY DRAYTON: Oh, oh.

Mr. MACKENZIE KING: My hon. friend who laughs so heartily takes this as a light matter, but this was the money of the country, not his own. Again let me compare the last loan of the late administration with the first loan of the present government. In July, 1921, the ex-Minister of Finance floated a guaranteed loan of $25,000,000. This loan runs for twenty-five years and bears interest at 6½ per cent, giving an annual interest charge of $1,625,000. This issue sold for 92.05. In March, 1922, only a few months later, the present government floated its first guaranteed loan of $11,000,000. This loan ran for three years and bore interest at 5 per cent, giving an annual interest charge of $550,000. This loan sold for 99.03. I might add that during the present year the Acting Minister of Finance

has refunded some of the loans that fell due within the past few months. By his financing, going into the market himself at this time, he has been able to effect a saving of $2,643,264.92 in the annual interest charges. That is the result of the better financing which he has effected this year. Yet hon. gentlemen of the Progressive party and other hon. members of the House are asked to support this amendment and condemn the present government on the score of the manner in which it has administred the finances of the country.

Take another item which helps to account for the fact that it is impossible to reduce the taxation which we have to shoulder in this country. Hon. gentlemen opposite when in office paid $10,000,000 for the stock of the Canadian Northern, which, according to the ex-Minister of Finance (Sir Henry Drayton) himself, in a report, was not worth a five cent piece and for which not a dollar of money was ever paid. The accrued interest on this amount capitalized every year at an average rate of 5½ per cent would come to $3,808,167. Were the present government not obliged to pay these vast sums, we could soon bring down the rent.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I mean the rate of taxation. But I was not far wrong even at that: A term that is frequently used in reference to a mortgage is the rent charge. Hon. gentlemen opposite have put upon the backs of the people of this country a national mortgage equalling nearly $2,000,000,000, on which colossal sum this and all succeeding governments will have to pay the interest. That is the reason it is not possible to bring down taxation as rapidly as hon. gentlemen opposite might like.

Let us consider the National railways for a moment. What are the facts in this regard? True, the railways are a heavy charge on the country, but so far as figures indicate anything, they would indicate that there has been a very distinct improvement, even as respects the National railways, since the present administration came in. Take the situation with regard to operating results. For the calendar year 1920, when hon. gentlemen opposite were in office, the operating results showed a deficit of $32,000,000. The next year there was a deficit of $11,000,000; while in 1922 the operations showed for the first time a surplus of $4,000,000. And in that year the present government had been in office three months. In 1923 the surplus had reached $21,000,000 while in 1924 it was $17,000,000. Let us take now the total deficits after fixed charges have been paid on the railways. During the calendar year 1920 they amounted to $74,000,000; in 1921 they amounted to $72,000,000 odd. In 1922 the total was $58,000,000, in 1923 $52,000,000 and in 1924 $54,000,000. In other words, with the change of government these deficits were brought from the seventies down into the fifties.

9 p.m.

Then there is the Canadian merchant marine, another item of extravagance on the part of hon. gentlemen opposite, on which they spent $74,000,000, after the close of the war, when it was perfectly clear that the ships would never be required for the purpose for which at the outset it was stated they were being built. I need not go into that because hon. members are familiar enough with that particular transaction. I might refer to many of the matters mentioned in the course of this debate, such for example as those brought up by the hon. member for Chambly and Vercheres (Mr. Archambault). In this regard, no one will take the passing word of the leader of the opposition (Mr. Meighen) that no waste took place during the war, that there were no scandals with respect to any contracts, and that the last cent was carefully accounted for. An examination will show that a very heavy obligation was added to the debt of the country as a consequence of the financing of that time. Nor will I take up the time of the House to go into other innumerable obligations contracted by hon. gentlemen opposite with respect to all sorts of things, dry docks at Esquimalt; terminals by the Atlantic; the purchase of buildings such as the Daly building, taken over at $1,000,000 from the former president of the Home Bank on the eve of hon. gentlemen's going out of office; the purchase of ice-breakers; obligations entered into with respect to Dominion Iron & Steel, left for this government to settle, and amounting to many millions of dollars; obligations with respect to the acquisition of the Grand Trunk, which we were called upon to settle—all of which have been added to our debt and which make it difficult for us to carry on at a lower rate of taxation than is now levied. It is easy for hon. gentlemen opposite to talk about the times demanding a reduction in taxation. But I repeat that if it is impossible to reduce the taxation as we should like, it is because of these enormous charges which have been left to this government by the previous administration, contracted while they were in office.

Now let me refer to one other statement in the amendment of my hon. friend the ex-Minister of Finance. He says that there is

no evidence of economy, That is not correct. I am going to submit to the House a few statements and I shall leave it to hon. members to judge whether this government should be criticized on that score. First of all, the allegation is contradicted absolutely by the general reduction that has taken place in expenditures. Let us see what reduction there has been in the total disbursements per head of population. I shall quote the figures with regard to expenditures in the last few years. I shall put the whole statement on Hansard, but for the moment I shall merely give a summary. For the fiscal year 1921-22 the grand total of disbursements of the country amounted to $464,000,000. During the following years they were:

1922-23	$434,000,000
1923-24	370,000,000
1924-25	361,000,000

And taking the revised figures as we have them to-night, the last mentioned amount is not $361,000,000; it will not exceed $350,000,000. In other words, 1925 shows a reduction in the total disbursements, as compared with 1924, of $20,000,000, while it shows a reduction as compared with the year 1922, when the government took office, of $114,000,000. Will my hon. friends say that there is no evidence of economy there? And what do these figures indicate with respect to the grand total disbursements per head of population? Let me give a summary of those figures:

	Per Capita
1922	$51 77
1923	47 50
1924	39 36
1925	37 51

In other words, the disbursements per head of population in 1925 were about three-quarters of what they amounted to in 1922. For every $4 which hon. gentlemen opposite were spending at the time they left office the government to-day is spending $3. This is the best possible answer as to whether or not there has been a saving.

The following table shows the total reductions in expenditures:

Budget of	Fiscal Year	Total generally controllable expenditure	Total generally uncontrollable expenditure	Grand total disbursements
1922	1921-22	$157,000,000	$307,000,000	$464,000,000
1923	1922-23	143,000,000	291,300,000	434,000,000
1924	1923-24	141,000,000	230,000,000	370,000,000
1925	1924-25	.....	.....	350,000,000

1925 shows reduction in total disbursements of $20,000,000 over 1924.

1925 shows reduction in total disbursements of $114,000,000 over 1922.

Take the estimates of the present year. Hon. gentlemen have those estimates before them; will they say that there is no evidence of an endeavour at economy so far as the figures there given are concerned? Let them open the Estimates at page 4 and look at the summary for the entire year. What does it show? The grand total for the year 1924-25 is $348,000,000 while the grand total for this year 1925-26 is estimated at $342,000,000, a reduction or saving of $6,933,000.

I am free to admit that there may be, and probably will be, other estimates to add; but if hon. members will look at what we are asking for the different services they will see that there is hardly a service, with one or two exceptions that can readily be accounted for, where there have not been very important reductions. The following list will show some of the reductions that have been effected in the estimates of government departments this year as compared with the estimates of last year:

Administration of Justice	$ 35,700
Legislation	89,850
Agriculture	103,500
Immigration and Colonization	708,000
Health	35,000
Scientific Institutions	81,824
Labour	28,000
Indian Affairs	46,542
Government of Northwest Territories	26,000
Dominion Lands and Parks	65,588
Miscellaneous services	3,429,525
Trade and Commerce	806,855
Public Works, capital	3,106,345
Public Works, income	949,316
Public Works, collection of revenue	36,100

I venture to say there has never before been presented to parliament in like circumstances an estimate showing an equivalent amount of reduction over the estimates of the preceding year. This government laboured night and day during the months prior to the opening of the House in examining closely the estimates of the different departments in order that we might be in a position to submit to the House a considerable reduction, notwithstanding the large reductions that had been effected in previous years.

Moreover, where there are increases they are more apparent than real. Take, for example, the Post Office Department, where there is cited an increase. What is that owing to? It is owing to the salary revision by the Civil Service Commission which has in effect combined bonus with salary. This year's estimate included an amount which was formerly provided from the general vote for bonus. So that while there would appear to be an increase of $1,668,515, in reality there is a net reduction of $288,573. Then, in connection with Customs and Excise, where there

is an increase of $635,943, that is due similarly to provision having been made for statutory increases to the completion by the Civil Service Commission of the reclassification of that department under which the usual bonus has been absorbed into the salaries, and also to a provision for further efforts to stop smuggling. Then there is the Department of National Defence: In these services there is an apparent increase of $243,220. As a matter of fact the combined military and naval services show a decrease. There is under Air Service an increase of $319,850 in the amount set apart for the purchase of aircraft. This, however, is required primarily for patrolling the forests in the interests of the various provinces and results from the taking over by the Defence department of patrol services formerly under other departments of administration.

There is a record which speaks for itself and which surely should appeal to hon. gentlemen opposite. But turn over two pages further, and look at the civil government estimates. What do we find there? I would be glad if Hansard could publish the two columns which make a comparison as to reduction or increase in the estimates for the two years, 1924 and 1925:

CIVIL GOVERNMENT ESTIMATE, 1925-26

Department	Compared with Estimates of 1924-25	
	Increase	Decrease
	$ cts.	$ cts.
Governor General's Secretary's Office—		
Salaries, including Governor General's Secretary additional to salary authorized by R.S., c. 4, $3,600..	875 00	
Contingencies..		
Agriculture—		
Salaries..	.....	1,730 00
Contingencies..		
Auditor General's Office—		
Salaries, including Auditor General at $10,000 additional to 7-8 Edward VII, chap. 6..	33,151 30	
Contingencies..	.....	24,500 00
Civil Service Commission—		
Salaries..	.....	3,160 00
Contingencies..	.....	10,000 00
Customs and Excise—		
Salaries..		
Contingencies..		
External Affairs—		
Salaries..	4,775 00	
Contingencies..	.....	4,500 00
Finance—		
Salaries..	.....	27,505 00
Contingencies..	.....	10,000 00
Inspector General of Banks, salaries and contingencies..		
Health—		
Salaries..	2,752 50	
Contingencies..		

CIVIL GOVERNMENT ESTIMATE, 1925-26

Department	Compared with Estimates of 1924-25	
	Increase	Decrease
	$ cts.	$ cts.
High Commissioner's Office—		
Salaries..	540 00	
Contingencies..	.....	20,637 00
Immigration and Colonization—		
Salaries..	.....	465 00
Contingencies..		
Indian Affairs—		
Salaries..	.....	1,000 00
Contingencies..		
Insurance—		
Salaries..	4,800 00	
Contingencies..		
Interior—		
Salaries..	.....	63,867 75
Contingencies..	.....	5,000 00
Justice—		
Salaries..	.....	743 33
Contingencies, including $2,000 for the Solicitor General's Office..		
Labour—		
Salaries..	.....	2,785 00
Contingencies..		
Marine and Fisheries—		
Salaries..	.....	12,280 00
Contingencies..		
Mines—		
Salaries..	.....	3,500 00
Contingencies..		
National Defence—		
Salaries..	.....	18,757 00
Contingencies..		
Patent and Copyright—		
Salaries..	.....	1,560 00
Contingencies..	.....	2,000 00
Post Office—		
Salaries including amount required to pay allowance to Office Appliance Operators, Grade 2 operating Hollerith card punching machines, in accordance with provisions of Order in Council P.C. 156/2521, dated 24th December, 1923..	34,211 00	
Contingencies..	50,000 00	
Privy Council—		
Salaries..	945 00	
Contingencies..		
Public Archives—		
Salaries..	.....	7,505 00
Contingencies..	1,000 00	
Public Printing and Stationery—		
Salaries, including $500 to Fred Cook as Secretary to the Government Printing and Stationery Committee..	1,820 00	
Contingencies..		
Public Works—		
Salaries..	.....	18,665 00
Contingencies..		
Railways and Canals—		
Salaries..	2,497 30	
Contingencies..		
Royal Canadian Mounted Police—		
Salaries..	520 00	
Contingencies..	.....	600 00
Secretary of State—		
Salaries..	.....	9,030 00
Contingencies..	.....	3,500 00

CIVIL GOVERNMENT ESTIMATES 1925-26

Department	Compared with Estimates of 1924-25 Increase	Decrease
	$ cts.	$ cts.
Soldiers' Civil Re-establishment—		
Salaries..		7,320 00
Trade and Commerce—		
Salaries..		38 32
Contingencies..		2,000 00
Appropriation not required for 1925-26..		45,755 00
.....		$170,516 30

It will be seen that the civil government estimates show a decrease this year over those of last year of $170,516.30; and these estimates take into account the amount that has to be voted for statutory increases in the civil service. How does it come about that notwithstanding the statutory increases we have been able to effect a reduction of over $170,000? It has been by continuing the process of reducing the numbers in the permanent service. In that regard my hon. friends say there has been no evidence of economy. What are the facts with regard to the public service during the last three or four years? The following figures are interesting in that connection:

REDUCTIONS IN GOVERNMENT SERVICES

	Personnel	Reduction	Expenditure	Reduction
			(Month of January)	
Civil Service:				
Jan. 1922.....	41,094	.....	$ 4,985,613	
Jan. 1924.....	*38,062*	3,032	*4,746,694*	$ 238,919
			(being at rate of approx. 2¾ millions per year).	

There is indicated in the estimates for 1925-26 a further reduction in personnel of Civil Service of abou 100 during 1924-25.

	Personnel	Reduction	Expenditure	Reduction
			(Month of January)	
National Defence:				
Jan. 1922.....	4,896	.....	$ 511,176	
Jan. 1925.....	*4,233*	663	*452,979*	$ 58,197
			(being at rate of approx. ¾ millions per year).	

	Personnel	Reduction	Expenditure	Reduction
			(Fiscal Year)	
Royal Canadian Mounted Police:				
Dec. 31, 1921.....	1,676	.....	1921-22 $ 3,527,570	
Dec. 31, 1924.....	*986*	690	1924-25 $ *1,999,872*	$ 1,527,698

In other words, there has been during the time the present government has been in office a net reduction in the three services—civil government, National Defence, and the Royal Canadian Mounted Police—of at least 4,485 persons, certainly approximately 5,000 and a saving of at least $5,000,000 annually in expenditure on salaries.

May I take a few minutes to make one further comparison? The ex-Minister of Finance (Sir Henry Drayton) is the one who speaks to us about economy, about reduction of taxation. I want to compare for a moment his financing with that of the present Acting Minister of Finance. The following table makes an interesting comparison in that regard:

COMPARISON OF FINANCE, FISCAL YEARS 1924-25 AND 1920-21

Year	Total Revenue Receipts	Accrued from Taxation	Per Head of Population
	$	$	$ cts.
1920-21.....	434,386,573	369,010,605	41 99
1924-25 (estimate)....	344,000,000 (approx.)	294,000,000	31 38

In other words, the per capita pressure of taxation is three-fourths less this last year than it was under the preceding administration or if I may put the matter in another way, for every dollar the average Canadian paid in taxation in 1921, when my hon. friend was in

office, he is paying to-day seventy-five cents, or to express it in dollars, for every $4 per capita that was being paid when my hon. friend was in office only four or five years ago, to-day we have the taxation down to $3 per person. Or, to put it in still another way, the present government is collecting in 1925 about $75,000,000 less in taxation than the hon. ex-Minister of Finance collected in 1921.

Now let me make a further comparison, because I want hon. members to see wherein it is difficult for any government to attempt to go much further in the reduction of taxes under existing circumstances.

We have to meet out of our taxation these special obligations that I have referred to as being in the nature of uncontrollable expenditure, the interest on the war debt, provincial subsidies, part of the railway deficits and the like, all of which are met out of the $294,000,000 revenue raised by taxation. We have left after we have met this uncontrollable expenditure about $99,000,000 to carry on the regular business of the country or between $10 and $11 per head of population. Comparing that with the last year of Sir Wilfrid Laurier's administration this $99,000,000 of taxation has to do the work which in 1911 required a net tax revenue of about $81,000,000. The population having increased since then, it means that to-day there is actually a lower per capita cost in dollars, in spite of a rise of some 50 per cent in commodities and service. Or take the last pre-war year of Sir Robert Borden, 1913-1914. In that year $127,000,000 was collected. From this must be deducted provincial subsidies amounting to $11,000,000, leaving taxation for Dominion purposes of $116,000,000, as compared with $80,000,000 odd in the last year of Sir Wilfrid Laurier's administration, or an increase of more than 43 per cent in the tax burden of the Canadian people in the first three years of the Conservative administration.

Comparing Sir Robert Borden's last year with the present administration, $116,000,000 tax revenue was required in 1913-1914 to do the work which our $99,000,000 of taxation revenue does to-day, despite the increase in the cost of commodities and services.

The hon. member for West York in his amendment blames us for the addition of $13,000,000 to the public debt this year. As a matter of fact, as I have already shown, there has been an addition of only $2,000,000. Compare that with what he added. We have added $2,000,000 to the debt in 1925, and the hon. member for West York, after collecting $75,000,000 more in taxes than we did, added in 1921, $92,000,000 more to the debt than we did; in other words there has been a total improvement in the finances in this one fiscal year, over that year of his administration of $165,000,000.

I am sorry to take up the time of the House with these figures, but I think they are necessary in order to show clearly the position of the present administration in its endeavour to deal with debt, with taxation and with matters of economy, and I submit that when one considers the handicaps under which we have laboured since we came into office, the economic conditions of the country and the unsettled condition of the world, and the vast obligations we have been called upon to meet, this is as good a showing as any administration under like circumstances could possibly have made.

What I have said with respect to these matters of public debt, taxation and economy in referring to the amendment of my hon. friend from West York are equally applicable to what in part my hon. friend the leader of the Progressives (Mr. Forke) said in the amendment which he introduced into the House, but which under the rules of the House was not permitted to be moved. I hope that my hon. friend will feel, having before him at the present time figures which he had not in his possession at the time his amendment was drafted, that perhaps the government is entitled to more consideration than was given it in the form of his original draft. He referred to one other matter, which is a matter of great importance, and that is the question of the cost of living. I would like to have gone into that, but I have spoken at considerable length, and I think I will reserve for another time the remarks that I have to make in that connection. But I would like to point this out to my hon. friend and hon. gentlemen opposite, that the cost of living in Canada has been considerably reduced since the present administration took office. The cost of living has been reduced, first of all through the reduction of taxation to which I have just referred, a reduction which amounts to a difference in payment of taxes of $3 per head as against $4 per capita when we came into office.

The cost of living has also been materially affected for the better by the changes which were made in the tariff last year—the removal of the duties on implements of production to a very considerable extent, also the sales tax thereon which has had the effect of cheapening materially the cost of production in the basic industries, and as hon.

members know, whatever affects materially any of the basic industries will affect all the subsequent industrial life of the country. I might add also the changes made in the tariff in the two preceding years not only on implements of production but on many articles of daily consumption, food, clothing, and the like affecting the homes of countless numbers in our land.

The cost of living has also been affected by the reductions we have made in the income tax by means of increased exemptions in the case of families, first of all in our raising the exemption to $300 per child and then later increasing that amount to $500, thus making a considerable saving to a large number of families.

In addition to that, the sales tax besides being removed from the implements of production as mentioned, has been completely taken off a large number of commodities, commodities that enter into the daily needs of a large number of families. We have sacrificed a considerable amount of income in that regard. True, we found a certain rate of sales tax. We added to that for a time, and reduced it in part again, but we also made perfectly free large numbers of articles that enter into the ordinary consumption of the great body of the people.

In addition to that we removed the duties from the coverings used exclusively for covering goods not subject to sales tax, these include cheese boxes, butter boxes, fruit packages and the like and constitute a very material reduction which also has its effect upon the cost of living. We also have given a 10 per cent discount upon preference rates where goods come into Canada via Canadian ports.

I would further submit that the great development that has taken place in trade under the present administration has had the effect of giving the average citizen more in the way of purchasing power and a man's cost of living has to be estimated, as it were, in terms of two quantities, the price of the things he buys, and the money he has to purchase them with, and if trade is more extensive as it certainly is, I submit that the lot of the average man in this country through increase of purchasing power has to that extent improved.

I would like to give just one brief summary in respect to the cost of living which has been carefully prepared by the aid of statisticians in the government service, and which will help to indicate what has taken place. In September, 1921—which I will compare with September, 1924 as well as March, 1925, so that it will not be thought that I am choosing particular months, and I take September, 1921, because it was the time my right hon. friend was getting ready to make his appeal to the country—in September, 1921, the cost of living as based upon a family budget of foods, fuel, lighting and rent, was 159.3 per cent of what it was in 1913. In September, 1924, the index number had fallen to 147.2, and in March of 1925 it was 148.4, or a decline of about 11 points since September 1921. Foods, which had been at 161.1 in September of 1921, were 140.4 in September, 1924 and 142.6 in March, 1925. All the foods in the budget except mutton, rice, tea and coffee were lower in September, 1924 than in September, 1921.

Again, the retail index number of fuel and lighting, which includes coal, wood and coal oil, was 189.0 in September, 1921, 175.9 in September, 1924 and 175.4 in March, 1925. While rent shows little change since 1921, the retail price of clothing has fallen from 167 in September of 1921 to 155 in March, 1925.

These index numbers, however, do not tell the whole story. They do not include some of the most notable of the achievements of the present government in the reduction of taxation. Thus, for example, they do not include reductions in the rate of income tax. Yet, to take a very ordinary case, the married man with an average family of three children and an income of $3,500 a year, who in 1921 paid $36 in income tax to the government of that day, is to-day entirely exempt therefrom.

There is no doubt therefore that the position of the average man and his ability to make ends meet has considerably improved during the years of the present administration. I should like to supplement my remarks in this connection with a table which I have, giving in graphic form the figures I have just quoted:

Index Numbers of a Family Budget of Staple Foods, Fuel and Lighting and Rent in Sixty Cities in Canada

	1913 = 100		
	Sept. 1921	Sept. 1924	March 1925
Foods..	161.1	140.1	142.6
Fuel and lighting	189.0	175.9	175.4
Rent..	144.6	146.7	146.5
Total	159.3	147.2	148.4

All foods included in the budget were lower in September 1924 as compared with September 1921, except mutton, rice, tea and coffee.

A calculation for clothing places the index for September 1921 at 167 and for September 1924 at 155.

Now, Mr. Speaker, it had been my intention to-night not to debate the question of finance but to discuss the question of the tariff. I thought that this debate would be largely concerned with matters of fiscal policy, but as

the right hon. leader of the opposition has not discussed those matters, has run away from all tariff discussion, I shall defer until some other time what I had intended to say in that regard.

There is one point however, which I wish to make perfectly clear to hon. members of the House because it has been one that has been differently viewed in the course of this debate, and that is with respect to the reference contained in the speech of the Acting Minister of Finance to the intention of the government to have an advisory board to advise the Minister of Finance on taxation whether in the form of customs duties, or excise duties, income tax or in other forms. Hon. gentlemen of the Conservative party advocate a tariff commission. They purpose to appoint independently certain gentlemen who will be given power to make examinations on their own account and make recommendations to the government. Should the government in power be that of my right hon. friend if that government were to act in accordance with the terms of his manifesto, it would not be obliged to carry out those recommendations; the commission may make recommendations but that is all there is to it in that regard. The proposal for such a body takes away from parliament altogether the settlement of the fiscal policy. Now, I submit, Mr. Speaker, that it is utterly impossible to remove from the arena of the House of Commons the settlement of the fiscal policy of the country. Parliament necessarily concerns itself amongst other things with the business of taxation and from time immemorial has exercised the right of imposing taxation. That right should never be handed over to any tribunal of men, no matter whom they may be, but should always be in the hands of the representatives of the people. Hon. gentlemen opposite talk about appointing a commission representative of manufacturers, of labour, and of some other class. I contend, Mr. Speaker, that in this House of Commons we have representatives of manufactures, we have representatives of labour, we have representatives of agriculture, we have representatives of all the classes that go to make up this country, and this is the place where the voice of the people thus represented should be heard. What the government feels is this: That in order to discuss intelligently these matters of the tariff, these complicated questions of taxation—and in view of the conditions in which this country and the rest of the world finds itself to-day, there is greater need than there ever was of expert advice and guidance,—that the Minister of Finance should have attached to his department experts, men of great experience, who will command the confidence of labour, of the manufacturers, of the farmer, who will be so trained that they will be able to go through the various tariff schedules and indicate the effect of existing tariffs upon industry and upon revenue, indicate what the effect of certain changes will be upon industry and upon revenue, so that when the Minister of Finance comes to the government or comes to the House with his budget he will be in a position to give the fullest and most accurate information it is possible to have with respect to the basis upon which taxation is made.

My hon. friend the leader of the Progressive party (Mr. Forke) thinks the tariff should be revised so as to bring in a larger amount of revenue. As to that I am in entire accord with him. We believe that the tariff should be used for purposes of revenue; it should not be used as my hon. friends opposite contend for purposes primarily of protection. The two things are entirely different; the two objectives are different. We join issue with hon. gentlemen opposite on this. They say we want a tariff for protection. Protection of what? Certain special industries. Then they go on enlarging, and enlarging, and enlarging, until what is the result? They want to include all the industries, and then after they are all included the costs all round will be raised by a corresponding amount. What they really want is the protection of certain special interests for the benefit of those whose capital has been invested in them. They say they want protection in the interest of labour. How is labour going to gain? Will not the wages of labour continue to be settled as they are to-day through competition in the labour market? Is there any guarantee that if two, or three, or four manufactures get special protection while capital may secure its extra monopoly profits the labour in those industries will be paid any wage other than that which competition of those available for these particular industries, may determine? Talk about protection! What about the women of this country who are not engaged in the specially favoured industries, who are nevertheless the heads of families and that to-day have to provide for needs of the household? Do they not need protection? Do not they and all other women need some protection with respect to the commodities they have to buy? What about all the younger element of the country? What about those who are in the civil service of Canada? What about those in the learned professions, what about those who go to make up the great numbers performing the clerical work of the country? What

about all these classes? Are they not to be considered? Are you going to limit the protection to special interests in which some specially favoured happen to have capital invested on which they want to make a higher rate of profit? Our position is that if you are going to have protection then protect the people as a whole and not merely a favoured few. Have your tariff so arranged that it will help to bring in revenues to the country in a manner which will relieve taxation not add to it and thereby serve the best interests of the people at large.

That is the intention with respect to this tariff board to which I have referred. There are in the government service at the present time gentlemen who have very full and accurate statistical knowledge; some with regard to trade, some with regard to customs, some with regard to income tax and the like. That information ought to be made available to the government and to the particular member of the cabinet on whom it devolves to bring down the budget to this House. We propose by this means to get such information as we can obtain; but we propose also to supplement the clerical staff that may be used for this purpose with two or three expert advisers who will give all of their time—not part of their time, as these other gentlemen will be expected to give—to studying taxation problems, tariff schedules, schedule after schedule and the like; studying the effect, as I have said, of the existing or a proposed tariff on a particular industry, and the effect of the tariff upon revenue; the effect of depreciated and appreciated currencies and kindred topics. They will not be appointed for an indefinite time but they will be appointed for a year at a time, and the appropriation will be made by this parliament. The minister will be responsible for those whom he appoints. What we will seek to bring into our tariff discussion will be more light and less heat so that in discussing these matters we shall be able to do only what is most in the interest of the people as a whole.

Now may I conclude what I have to say by making a reference to the subject of trade. But just before I do, let me make this reference in case I should overlook it. It has been intimated to me by some hon. members that they would like me to state what the government is going to do with certain measures that have still to be brought forward. On that point may I say this: The government brought on this session, as I have already intimated, early in the month of February, the first week of February in fact, in the hope that we would get through business at least before the hot weather came. We brought on the session when we did believing that it was in the interest of the country to have the public business put through with despatch. We believe the people do not want the public money wasted in lengthy discussions involving prolonged sittings of this parliament. As I intimated in the early part of my remarks this afternoon we believe there has been and is a deliberate attempt to protract the session, and in view of that fact it would be impossible as I stand here to give any assurances as to what measures can be brought down and put through at this particular session of parliament. We have some very important legislation still to introduce. There is the railway rates legislation, which is important, and which we ought to have been discussing a month ago. There is the legislation respecting the Home Bank depositors which is important. Hon. gentlemen opposite have asked me two or three times about the alternative vote. I promised last session that it would be brought down, and it will be brought down and we will proceed with it. These are measures which will take considerable time. The Grain Act has been drafted. The minister made mention earlier in the session of his intention to bring down that measure and I hope we will be able to put it through. As to some of the other measures, rural credits and the like, I am unable to speak definitely until I see how the work of the session progresses; but I want to say this, and I want to make it perfectly clear: This government does not intend to stay here through the summer months trying to carry on the business of the country; and if for no other reason than that hon. gentlemen opposite wish us to go in two opposite directions at one and the same time, or because hon. gentlemen directly opposite want to prevent by undue discussion a campaign from being brought on, I will say here and now that if for these or any other reasons the government finds it impossible to carry on the business of the country in an expeditious and in a satisfactory manner, I shall not for one minute hesitate to ask His Excellency to dissolve this parliament and give us a chance to appeal to the people. So far as the business of this country is concerned, I believe that the people of Canada have the same view that the people of Great Britain and the people of the United States apparently have had; they want to see in power a government that will not be faced with uncertainty in its proceedings, and that will not be faced with embarrassment because it is surrounded by groups at variance with each other; they

want to see in power a government with a strong majority that will be able to carry on the business of the country without fear and without favour in any direction, and I can tell hon. gentlemen opposite that when the time comes to appeal to the country, it is on these lines the appeal will be made.

I have given an outline of the manner in which the government has endeavoured to carry on the business of the country. I have shown that, despite the obstacles we have had to contend with, the heavy legacy of public debt and other financial obligations, our majority of one, the unsettled conditions throughout the country and the world, a divided opposition, a Senate which is politically hostile to us, and embarrassments of different kinds, we have been able to make a record of which any administration might well be proud. Not only that, but I have only to give to the country the figures that I hold in my hand with respect to trade development to show how Canada has prospered during the period the present government has been in office. I shall quote these figures, and with that I shall conclude. What are the figures with respect to the trade conditions of the country?

In the fiscal year 1920-21, when hon. gentlemen opposite were in office, the trade imports exceeded the exports $30,000,000. The result was that in November, 1920, $1 of American money required an exchange of $1.20 in Canadian money. In 1921-22, for nine months of which my hon. friends were in office, the exports exceeded the imports by $6,000,000. The result was that in November 1921 one American dollar was worth $1.09 Canadian money. In January, 1922, immediately after the change of government the American dollar commanded only $1.05½ in Canadian money. In 1922-23 the exports of Canada exceeded the imports by $142,000,000. In 1923-24 the exports exceeded the imports by $165,000,000, and now the 30th April has come and I am able to give the House the exact figures with respect to the last fiscal year. We find the exports last year have exceeded the imports by $284,000,000, the largest favourable balance of trade that had ever been known in this country, with the possible exception of the period of the war.

Again I wish to say to hon. gentlemen opposite,—and here I speak more particularly to my friends of the Progressive party—the government has been able to accomplish this in no inconsiderable part through the co-operation which has been accorded us by hon. gentlemen belonging to the Progressive party, and in spite of the difficulties which have been put in our way by hon. gentlemen directly opposite. We have endeavoured while seeking to carry on the economic side of the work of this country also to do another work which is perhaps even more important. We have sought to remove, as far as we were able to do it, all that there was of discord and division among the people on racial, religious or sectional grounds in different parts of the country. We have worked steadily for national unity, and hon. gentlemen have helped us in that. Last year we made considerable changes in the tariff which I think I am right in saying benefited more than any other part of the Dominion the part of the country from which the majority of hon. members of the Progressive party come. In doing that we were not only helping hon. gentlemen opposite, but we were helping all parts of Canada. Hon. gentlemen on this side of the House stood solidly with the government in helping to bring about changes which we believed were for the good of western Canada, and whilst improving conditions from an economic standpoint would help to make for the furtherance of a spirit of national unity throughout the Dominion.

This year, as far as the tariff goes, we have thought it advisable to permit an unobstructed view of the effect of our changes of last year, so that the country will have an opportunity of seeing that they need not be alarmed with respect to tariff changes, with respect to the reduction of duties on agricultural implements or other commodities, where made after mature consideration, and in accordance with a policy that goes to make for the welfare of the country as a whole. We believe that the country is being steadily reassured, and it is for that reason among others that we have thought it inadvisable to make any change of a material character. One change we have made, continuing our policy of last year, a change designed to benefit some of the fishermen of the Atlantic and Pacific coasts engaged in a basic industry which did not come in for as full consideration as others at the last session. We have beside lowered the duty on bituminous coal three cents a ton. Not much has been said of that, but it gives some benefit to the consumer. The household consumers of coal use bituminous coal, they do not use slack. We have raised the duty on bituminous slack coal, and why? Well, for two or three reasons. In the first place at the time the duties were fixed it was never thought that bituminous slack coal would begin to enter into effective competition with run of mine bituminous coal, which is a product of the mines not only in the Maritime province but in Alberta as well. The gov-

ernment of the day did not believe it would result in the customs being defrauded and in purchasers being defrauded, as has certainly been the case, because we know on account of the difference in the tariff, slack coal is being brought into this country, paying a lower rate of duty, than mixed with run of mine and sold as run of mine, with the result that the purchaser is defrauded in what he pays for and the government defrauded in duties as well. We have felt further that there is one part of our Dominion which to-day has been having a hard struggle; no one can deny that. The Maritime provinces have had and are having a hard time. We were not without hope that our action in this particular would put new faith and comfort into the hearts and minds of the people of the Maritime provinces and for no class more than those who are engaged in the hard work of mining coal in connection with the primary industries of that part of our country. We felt this was helping on as well a great national policy of self-sufficiency in the matter of our coal supplies in this country. Those were great national reasons transcending, I believe, all other reasons. I ask my friends of the Progressive party: Are you not going to be magnanimous enough to sink any little feeling you may entertain with respect to some theoretical maximum on tariffs and stretch to our friends in the Maritime provinces the same helping hand they stretched out to you in good faith and good fellowship last session? You have an opportunity to do so on this budget. You have an opportunity by your action on this budget to show that in your outlook you are something more than sectional; that you have a broad vision; that you are thinking first of Canada as a whole, not only of the particular constituency from which you may come. Nay, rather, may I say this in justice to your constituencies? I should feel pretty badly if I thought that any group of men and women in western Canada in the constituencies from which you come would not respond to attitude of that kind and would not rather condemn you if you failed to assume it. You have your chance on this budget and it is for you to say. I again appeal to my hon. friends. It has been from this larger point of view, from the point of view of national interest as a whole, national economy, national well-being and national goodwill, that the government has taken the stand that it has on the tariff question at this particular session.

Let me conclude with these words. In the short time that we have been in office now some three years or more, we have reduced the public debt. We have reduced expenditure. We have reduced the taxation of this country. We have reduced the cost of the public service. We have reduced the cost of living. More than that, we are able to point to a vast increase in the trade of the country, reflecting improved conditions of industry, to an improvement in our credit enabling us to borrow in the world's money markets at business rates of interest. Not only has our money been at par for some time past but if you will look at this evening's paper, you will see what I had the pleasure of reading to-night in large letters across the centre page: "Canadian dollar quoted at a premium." Above all this we have achieved a growing national unity. Having regard to these and other circumstances, I think the government is entitled to ask from all or at least hon. gentlemen who have promised honourable co-operation in the government's efforts to serve the country's interest a ready measure of support of the budget now before the House.

Mr. D. W. WARNER (Strathcona): Mr. Speaker, the tariff has been emphasized more than any other phase of this debate, and so I will offer a few remarks on that first. The tariff is important, but at the same time we realize that some other subjects are also important although, perhaps, not very much has been said about them during the course of the debate. As regards the emphasis placed on the tariff, it appears to me that to my immediate right the emphasis has taken the position almost of preaching blue ruin on account of small reductions that have been made in the tariff. The people who sent me here want a lower tariff than we have at present, and I think they are quite reasonable in not expecting that reduction to be brought about all at once. At the same time they want progress made all along that line. Our friends to the right have been all the time using the United States as an example for Canada to follow. I know something about conditions there from experience and in other ways as well. The idea is held out that the prosperity in the United States has been brought about by the highly protective tariff which they have had continuously. My opinion is that the United States have become prosperous in spite of the tariff rather than on account of it. I lived there long enough to form that conclusion from experience. The statement has been made that the United States have three times as high a tariff as Canada has. It makes a difference how you undertake to figure that tariff. I

want to read just a little from a clipping taken from the Ottawa Citizen and I think it is a pretty good authority under the circumstances under which it was taken:

> Early in the session, Mr. Stevens, of Vancouver, spoke of the United States "with a four thousand mile boundary and a tariff three times as high as ours." This information was given as an argument for the increase of the Canadian tariff to equal that of the United States, accompanied by the understanding that conditions in the United States due to higher tariff were more satisfactory than in Canada.

A little further on in the same editorial, we have this:

> For his benefit, as well as for the information of students of tariff affairs generally, the following comparisons may be quoted from Imperial sources. For the year 1924 the per capita rate of duty in Canada was $14.65 and in the United States $4.86.

I think that is a fair way of looking at the tariff; we must consider it from the per capita point of view. These calculations have been carefully checked on the data furnished by the above-mentioned reports. As a matter of fact, if the year 1921 is taken, the comparison shows in all three of the above that the Canadian rate is higher than in the United States.

Our friends to the right in stressing the tariff have gone beyond what they ought reasonably to expect, and I wonder if they really want the sort of tariff that they are talking about. I was a candidate in 1917 as well as in 1921 for election to this House and in both those campaigns the Conservatives apologised for the high tariff which they had had in that part of the country where I was running; and some of them went so far as to declare that a reduction was necessary. And the only way they could justify the tariff then in force was to say that it was no higher than the tariff that had been in effect at any other time under the Liberals. I will not discuss that point as it has no bearing on the present question. However, hon. gentlemen have emphasized in this House their claim that the reduction of the tariff will mean the ruin of this country. Just what their object is would not seem to be quite clear, but it strikes me that they have been making a desperate effort to prevent this government from reducing the tariff to a greater extent than they have done. What effect this move on the part of hon. gentlemen will have on their supporters back home I do not know, but that is what they have evidently been doing. As I see it, there would appear to be in the minds of hon. gentlemen some idea of party advantage in stalling the government in their endeavour to reduce the tariff, and then turning round and telling the people throughout the country that the government had not carried out their pledges.

Now, the Progressives want a lower tariff and perhaps most of them will vote against the budget on that account. I can see that this will place the government in a very undesirable position; I can quite readily understand that. But whether hon. gentlemen vote against the government because they want a lower tariff, or whether they vote against the government because they are anxious to stall them for the purpose of conveying to the country the impression that this administration have failed to fulfil their pledges, the vote in either case will be an adverse one. It does seem to me that we could put in our time to better advantage than by talking for the purpose of furthering party interests; I think the country is in too serious a condition for us to carry on a debate for four or five weeks merely for party purposes.

10 p.m.

I shall say just a few words now about the tariff commission. Parliament cannot dodge its responsibility for dealing with the matters which members are sent here to consider. I do not want to be put in the position of opposing a tariff commission, but I should like to know just what is intended in this connection. I think we have some assurance from the Prime Minister (Mr. Mackenzie King) and from the government benches that this tariff board is not to decide what shall be done in the way of changing the tariff; its purpose is merely to gather information. If the board is to obtain information and come to a decision as to how industries in the country will be affected by tariff changes, either up or down, and if its function is to be simply advisory, then it would seem to be a good thing to have such a body to advise parliament. Ever since I can remember, the tariff has been a political football in the United States and this country, and I do not think that it is the best thing for any country to allow its fiscal policy to be treated in that way. I believe that the people are entitled to full information in regard to tariff matters; they should know what their tariff is and how its changes would affect them. But under the conditions that have existed in this country, how are the people to know just what the exact state of affairs is? This tariff question is largely comparable to religion; a man may hold any religious belief he pleases; he can prove that his opinions are right in his own opinion by the Bible; he can take the Bible to prove any position he chooses to assume. Similarly, a man can belong to any party at

all and support any kind of tariff policy he wants to, with the party information and the party statistics with which he is supplied. But I do not believe that it is to the advantage of the country to have the tariff handled in that way; and if we had a board that would provide the proper information which we could depend upon I think it would be a good thing; we should then be able to arrive at conclusions a great deal more satisfactorily than we can without such a board or some similar body to supply us with information.

Now I come to another subject which I wish to discuss to some extent; I refer to the question of raising revenue in this country. The revenue-earning power of the tariff would appear to me to be rather doubtful; and we never know how much we get out of it nor how much it costs us for what we get. Let me for a moment or two refer to the question of direct taxation. The organization that has sent me here to serve as their representative believe in direct taxation. I do not want to be understood as opposing the idea of direct taxation, but I want that direct taxation to be fair, if it can be made so; and that is the idea I want to emphasize in my remarks on this subject. If direct taxation is fair and we know how much we have to pay in connection with it, then we are ready for direct taxation instead of this conundrum, the tariff, as a method of raising money.

I wish to refer for a moment to the question of milk and cream tickets. I have here a letter from a gentleman who is secretary of the National Dairy Council and who is counsel for that organization, and I would like to put it on Hansard. It is as follows:

In answer to your request for information I beg to say that, acting as counsel of the National Dairy Council, I secured a ruling last year from the Department of Customs and Excise, to the effect that a cream ticket which was not addressed to a bank was not a cheque and was not subject to the law requiring a stamp upon cheques. However, the department decided that a cream ticket was a receipt and that therefore, if the cream ticket amounted to $10 or more, the law requiring a two cent stamp on a receipt of $10 or more applied, and a two cent stamp had to be put upon the cream ticket. Acting as counsel for the dairy interests, I advised to this effect.

The practice of paying for each can of cream by issuing a cream ticket, which is followed by the creamerymen in the provinces of Alberta, Saskatchewan and Manitoba, is not followed in Ontario and Quebec. In these two provinces the dairy farmer is paid every two weeks by a cheque or express order. This used to be the practice also in the prairie provinces, but some time ago it was changed to the cash system, which has been found most beneficial to the western farmer and the merchants in the western towns. These cream tickets which may be sent by mail to a farmer a hundred miles away from the creamery are treated as cash by the merchants and the banks and therefore have been of material assistance in times of stress, by keeping money in circulation.

Another practice that exists in the prairie provinces, which is not generally followed in Ontario and Quebec, is the paying of cream on grade. There are three principal grades, being special, first and second. The farmer who ships special, gets a better price than is paid for first grade, and the farmer who ships first grade gets a better price than is paid for second grade. The result is that cream is shipped frequently and in comparatively small volume. This practice results in a better quality of butter being made and it has been encouraged by the cash system of payments through cream tickets.

From my knowledge of the dairy industry, I am satisfied that the system of cash payments through cream tickets is a decided improvement on the system of half monthly payments and therefore I sincerely hope that nothing will be done to prejudice the system now existing in the west.

I have read this letter in order to show how this system grew up. It is the opinion of creamery men that under this system a better grade of butter is produced than can be produced under the system that was formerly followed. I take it that the secretary of this organization, which acts for all the dairymen of Canada, is a good authority on this subject. We want the dairy business to grow. This government have been doing all that one could expect any government to do to encourage the dairy business, but if they impose this extra burden upon it the result will be very detrimental to those who are engaged in it. I have here a wire from the Alberta Dairymen's Association, through their secretary, representing all the creamery men and dairymen in Alberta; I have also a letter from him. I shall not read either the wire or the letter, but they would be good reading and contain information that it would be well to have on Hansard. I have also a letter and a wire from the chairman of the producing section of the Alberta Dairymen's Association, who speaks for all the producers in that province. It is the view of all these men that the business cannot stand the extra burden that it is proposed to place upon it in the form of this tax. I have also communications from private creameries—from the Edmonton City dairy, the Woodland dairy, the Wetaskiwin dairy and the Camrose dairy. I have a statement by the manager of the Wetaskiwin dairy that I would like to put on Hansard; I judge that he is a pretty good authority on this subject and that the figures he gives may be taken as approximate. Speaking to the Kiwanis Club of Wetaskiwin, he said:,

In 1919 about 13,000,000 pounds of butter were made in Alberta, while in 1924 this figure was increased to 22,000,000 . . . . In 1922 the Dairymen's Act of Alberta was passed, making the grading of cream compulsory. Saskatchewan and Manitoba have followed Alberta's

example in this respect, and to-day the butter from the prairie provinces has a place on the world's markets second to none.

That is what we are aiming at; we want to turn out the best product that can possibly be manufactured, and the ticket system helps to bring that about. It can only injure the industry if these tickets are regarded as cheques instead of receipts and are all required to have a two cent stamp. I said at the outset that I was in favour of direct taxation if it was fair, and I believe the stamp tax, properly applied, is a fair tax. But a different situation is created if, in accordance with the minister's proposed amendment, these tickets are treated as cheques instead of receipts. We have men delivering small amounts of cream to those dairies every day for which they would receive one or two dollars, so you can see at once that if you put a 2-cent stamp on five of these cheques there will be a tax of 10 cents to pay on amounts as low as ten dollars. That is surely an unfair amount of taxation to place on that business. On the ordinary ten dollar receipt a man has only to pay a two-cent tax, whereas the man taking his cream to the dairy will pay the very same tax on an account of one or two dollars.

Now I come to the cheques. Suppose they issue cheques. Very few of these accounts are over ten dollars, and most of them are below that. On an ordinary business cheque for fifty dollars you only have to pay a two cent tax, but you might have to pay fifty cents if you were in the dairy business and took fifty dollars worth of cream to the dairy. There is no other business this tax strikes so hard, on account of the budget calling these receipts cheques and requiring them to be stamped the same as the ordinary cheque. If these accounts were paid in bigger cheques it would not be so bad, but hardly any of these accounts reaches ten dollars. The dairymen all say that they are willing to put on a two-cent stamp if the account goes over ten dollars, but you can see what a handicap the tax will be to the business if a two-cent stamp is required on every ticket, however small, and I want to tell the government that I do not believe they are going to get the revenue they expect from these tickets, because the dairymen will be compelled to go back most likely to payment every two weeks or once a month

I have here a number of letters that I shall not put on Hansard as time is passing, but they all go to show that the dairy business cannot stand this tax, and they will have to adopt some other method. The government

[Mr. Warner.]

are going to get these creamery men into a lot of difficulty. They will simply have to avoid this stamp tax in some way because they cannot afford to pay it, and it means they will have to change their system. The government in that case will not get the revenue, but they will fall into discredit with a whole lot of farmers who want the cash system that is now in operation continued. The creamerymen cannot undertake to give cash to each man who brings in his cream. That is out of the question, because not one man in twenty takes his own cream in to the creamery; he gets someone else to haul it in for him, and some of it is shipped a hundred miles. These cream tickets are as good as money to the farmer because the merchants or anybody will take them in as cash knowing that the creamery men will make it good; so it is really a cash system. But you cannot take money out of the bank and pay actual cash to the producer who sends in his cream to the creamery, because he does not go to the creamery himself. We do not want a handicap to be placed on this industry from a lack of knowledge of what this tax will mean, and that is one reason why I am taking time to explain the system to the House to-night. These gentlemen who are in the business certainly know what they are talking about, and they know another thing, that they will not be to blame if they have to go back to the two weeks or monthly payment system, and that will be a step backward. The cream will have to be kept too long so it will not make good butter. The man who is getting these cash payments in the west certainly needs these certificates every day in order to carry on his household expenses and support his family. Now why do we need to put a two-cent stamp on this dairy certificate? What is the reason we have to do it? It has not been made clear to me yet, but what has been made clear to me on investigation is that there are already some exemptions allowed. For instance, when a man clips a coupon from a bond and deposits it in the bank he does not have to put a stamp on that. I am not going to say that that is not wise provided we can afford it, but I do say that it is not fair to exempt the coupon clipper and to tax the dairyman, upon whom you are depending to build up this country in every part of it. There are other exemptions I might mention. One dollar will pay the maximum amount of revenue that you have to put on any cheque,, even if it amounts to $100,000. All amounts over $2,500 are exempt

Now, Mr. Speaker, and gentlemen, hon. members of this House, when you allow those exemptions is it fair to tax the small man who is producing a little cream to take care of his family through the summer season, and many of them are now depending upon it for the winter as well? If you want to be fair, if you are going to tax the cream ticket, I say tax the man that puts a bond coupon in the bank, and put a tax of two cents on every fifty dollars when a cheque is drawn no matter for how large an amount; I do not care if it is a cheque for $100,000. A man who can afford to write a cheque for that amount can better afford to pay the tax than the small dairyman.

You might say that the creamery men should stand this tax. But it is like any other business, there is a certain amount of overhead, and this tax will be charged in their overhead, and the small producer will have to pay it. It will not be the consumer who will pay it in this case, because the world's market makes the price for butter, and the rest of the butter at home will sell at the price butter will bring in the world's market, less the cost of transportation there, so the tax will come back to the small man. It may not break the dairy business, but it will be a handicap on the business, and I claim that it is an unjust tax. If there were other businesses that were exposed to so much expense and had so many small accounts to pay then perhaps there would not be so much objection. The dairy business is growing, and I have a number of statistics here that will indicate the growth. Our butter is being regarded with more favour on the world's market. In the British market, in Japan and in other parts of the Orient, and in a general way all over the world, our butter is establishing a reputation for itself. With the new system now in vogue, in view of the system of cash payments and the small amounts of cream going into the dairy while it is sweet, our dairymen are able to compete with the dairy products of any other country in the world's market. The fact that our butter is getting such a good name for itself is a strong factor in enabling our product to compete with the butter from other countries and secure a top price. We have not yet exported in any great volume, although it is increasing satisfactorily and we hope that given proper treatment the business in future will enormously increase. Before I leave this subject I must say that this development in the dairy industry has been brought about as the result of information furnished by the Department of Customs by their classing milk tickets as receipts, it has not been brought about through any violation of the law. To-day the industry is not asking for any special favour; all it is asking for is even handed justice and a fair deal. That is all we are asking for and we think that as dairymen we are entitled to it.

Now, Mr. Speaker, I have several notes here dealing with matters on which I wished to speak, but the time is going faster than I realized and I cannot take them all up. But I do want to mention the subject of rural credits, I have not heard much on that question this session. Nevertheless throughout the country the people are looking for something along that line to be done at this session of parliament. Reports on the subject were presented in 1924 and 1925, by a commissioner employed by the government to investigate the feasibility and the possibility of a rural credit system. I claim that in those reports we have information enough to enable us to make a start on that line. This subject was investigated by a special committee appointed to consider agricultural conditions in Canada, and Dr. Tory, the commissioner in question, states in his report that he has followed very closely the suggestions offered by the committee on Agriculture based on the evidence that the special committee took. We also have his statement that he has followed very closely the recommendations of the committee on Banking and Commerce. In the second report on agricultural credits made last year to the Minister of Finance, and printed as sessional paper No. 142 there is a resolution passed by the Banking and Commerce committee. I quote from the report:

> This resolution was concurred in by the House of Commons on Friday, July 18, 1924. Subsequent to this action instructions were received from the Acting Minister of Finance to complete the investigation suggested by the resolution of the select standing committee on Banking and Commerce referred to above.

Now, there are many quotations that I should like to put on Hansard if I felt that I had the time, but in view of the lateness of the hour, and the fact that a number of other gentlemen wish to speak, I shall read only a further quotation or two from Dr. Tory's report:

> In Canada we have invested in lands under occupation approximately $2,250,000,000, upon which there is live stock valued at about $1,000,000,000. In addition, the average crop production for the five years ending 1923 was $1,230,000,000. It is respectfully suggested that the time has come for the creation of financial organizations which will think in the terms of this industry, aiming specifically and definitely and without excuse

to meet its needs, free from the constant lure of other semi-speculative financial activities.

Now, Mr. Speaker, we have this report recommending certain schemes, and comparing what may be done in Canada with what has been accomplished in other countries. There is just one more quotation that I should like to give:

It is hardlly necessary to point out that the movement for rural credits on this continent is not an incident in the history of an individual country, but is part of a movement covering the whole civilized world, and would appear to be a normal development growing out of the conditions of modern agriculture.

Agriculture is struggling under many handicaps but as we are all aware of that fact there is no need for me to stress it. It is struggling under the handicap of a high rate of interest and the uncertainty of being able to get the capital which is necessary. I concur in the statement I have heard made a good many times that perhaps when credit is made too easy people get too much of it. That may be the case, and I think it is in some instances, but there are hundreds of thousands of our farmers who are now in debt and must re-fund their debts because they cannot afford to carry their indebtedness at the rate of interest they have to pay and the short time allowed for the loan. I believe that a rural credit system can be worked out for this country that will materially reduce the amount of interest the farmer has to pay. I should like to broaden out on that point and show hon. gentlemen how the interest of the entire country is borne by production, but I do not need to stress that point because the subject is likely to come up at a later stage. At any rate I hope that an opportunity will be afforded us of discussing the question this session.

In closing my remarks on this particular matter I want to say that I believe unless the rate of interest comes down it will be ruinous to the world. I do not believe civilization can stand the amount of interest that we are now paying; whether right or wrong, that is my opinion. I certainly think the country is paying too much interest. There are too many people living off interest, and every time a man gets in debt in this country it is pretty hard for him to get out, simply because he cannot earn enough in the agricultural business to pay his interest and his principal. I am speaking of the agricultural community, and I know that my statement is correct. There are a few men who can handle the business and pay the rate of interest and who seem to get on, but they are very few. We must make laws that will give the ordinary citizen a chance to make good, because most of the people in any country are ordinary people. Now I do not know that it will be worth much, but I wish to say that my feeling and my wish would be to cut the rate of interest in two. Eight per cent is the ordinary rate the farmer is paying. I should like to see the rate reduced to four per cent. I do not know that we can do it. We cannot go below what it would cost to furnish the money to the farmer, but we can get below the rate the farmers are paying at the present time, and we can give them a chance over a long period of years to pay back the money they have already borrowed, instead of having the bank coming to them every three to twelve months. Many farmers cannot get money for a year at a time from the banks, for, as we all know, banks are not organized to make such loans. If farmers were not in debt it would be a good thing to advise them not to go into debt, but they are in debt. As Dr. Tory says, it is not a difficulty which is experienced in one country alone but it exists the world over. Agriculture is in this condition in all countries, and you cannot blame our farmers for the condition in which they find themselves. Some of them have incurred expenses which should not have been incurred, but we cannot condemn them all because a few go into debt more than they should. I think it is up to this House to consider a rural credit scheme, I think it could be carried out in a reasonable, practical way, and Dr. Tory's report will guide us very much as to what can be done.

Referring to the Home Bank, I think we should consider the claim of the depositors and give them what they are entitled to during this session of parliament, if it can possibly be done. I do not care to discuss the matter further. Others will probably take it up at greater length.

I made a note of the statement made by the hon. member for Vancouver South (Mr. Ladner) that the Progressives wanted to take the Crowsnest pass home for political purposes. I would like to see hon. members get over the idea that we Progressives are taking all things home for political purposes. There is no justification for any such notion.

Mr. Speaker, a messenger has just handed me two more telegrams from creameries stating that they cannot stand this new tax. That point seems to be pretty thoroughly decided among them.

Referring to the Crowsnest pass agreement I have some ideas of my own. I live in a part of the country where, if the Crowsnest pass agreement was put into force according to the judgment of the court we would be discriminated against. I am not ready to accept the continuance of that condition, but we also

have a Dominion railway law, which says that there shall be no undue discrimination in freight rates. I am depending on that law to defend us in my district, if we hold to the Crowsnest pass agreement and regulate freight rates by it. Some might say we are forgetting the railways altogether. I will tell hon. gentlemen that the railways in most cases are able to take care of themselves, whether the railways are under private ownership or under government ownership we are the people who pay the bill anyway, and it seems to me that we need something to regulate freight rates. This brings to my mind something that happened when I first came into the country in 1898, soon after the Crowsnest pass agreement was enacted, which was in 1897. It was rather a new thing then. It was explained to me that that would always hold the freight rates within reason. I felt, as I was going a long distance from the seaboard, that the freight rates on our products might be pretty stiff. The argument was presented to me that the Crowsnest pass agreement would always keep the freight rates within reason. Well it did until it was suspended. I remember the time when the railways were hauling at less rates than the Crowsnest pass agreement called for. The Canadian Pacific Railway have done wonders in helping Canada, but at the same time Canada has done wonders for the Canadian Pacific Railway. When I first came to the country our freight was not of very great volume. The Canadian Pacific Railway said they could haul freight at a less rate when they got more of it. I have lived out in the west for years and we produced so much at times that the Canadian Pacific Railway could not haul it all; we were flooded with products all through the country and they could not be moved. We had blockades, as anyone who has lived in that country long enough will know. The wheat was piled up on that railway, then they said it cost them too much to move it on account of there being too much of it.

The Crowsnest pass agreement was a bargain made between the people of Canada and the Canadian Pacific Railway. I am sorry that the court did not decide that it should apply to other railroads as well as those which were in existence at that time. I am not going to question their decision, but I would expect Dominion law to do the rest of it, when we hold the Crowsnest pass agreement for the regulation of the freight rates on those roads that were in existence at the time the agreement was adopted.

What is a bargain? When a contract is, as it is said, signed, sealed and delivered between two people, it is a bargain to stay, and I do not see why this bargain between the Canadian Pacific and the people of Canada should not be made to stay. The Canadian Pacific officials say—and some people may sympathise with them—that conditions have changed so that they cannot operate their road as cheaply as they could when that bargain was made, and that consequently that bargain should be abrogated and they should have an opportunity to set the rates in some other way. That is all right from the Canadian Pacific point of view, but there is another side to the question. When the Canadian Pacific railway was built through that western country where I live, Canada gave that railway a great deal of land there—speaking off hand I cannot say how much—in order to get them to build that road. The people of Canada might just as well say: The Canadian Pacific land has risen in value until they do not need that much land, and we might just as well abrogate the agreement and take back the land in the same way as the Canadian Pacific wish to abrogate the agreement in respect to the rates which they should charge. Moreover, the people have had trouble with the Canadian Pacific lands. I know of many new neighbourhoods that have not been able to keep their schools going because those lands in their vicinity are not paying taxes. The Canadian Pacific land was getting the benefit of the improvement of the roads, schools and other things, and the land was lying idle because they were asking such an unreasonable price for it that the people could not afford to buy it and put it into cultivation so that it would pay taxes. A bargain is a bargain and we have that bargain. We have the Crowsnest pass agreement and this parliament will not be doing right unless we hold to that bargain in order to regulate the freight rates of Canada, especially in the west. As regards taking this home for political purposes, I do not believe one Progressive that came from the west had anything of that kind in mind. I believe they understand that the Crowsnest pass agreement is a bargain and they are not taking it home at all. It is there. They have nothing to do with it more than to hold it and not allow it to be abrogated.

I have noticed that many hon. members to my right seem to be very fond of going after the Progressives and telling them what a frail bunch they are. The hon. member for Vancouver South (Mr. Ladner) said that 22 per cent of the members of this House—I am not just sure what word he used—were controlling or bossing the government, and

the government was imposing such a low tariff it was going to ruin the whole country on account of the 22 per cent of Progressive members who were dictating to the government. I do not think any party in this House have come as near to having their way as the Conservatives have. They are trying to prevent the government from giving a lower tariff, and have succeeded. The people throughout Canada want a lower tariff; they have sent a large majority of members here who are in favour of a lower tariff if they represent their constituents as they should. Hon. members to my right have prevented the government from going further with their lower tariff policy. As the saying goes, the government are between the devil and the deep sea. At the same time it has been the Conservatives with a few Tory-Liberals added who have preached the ruination of this country on account of a very little bit having been cut off the tariff at last session. If they wanted a higher tariff, why did they not have it when they were in power and could get it? They did not have a very much higher tariff than the Liberal party, and they made the claim in 1917 and 1921 that they would be just as low tariff people as the Liberals if they had a chance. We are not, as I say, taking a hand in the political fight. We do not feel that we came here to carry on any political fight. Our people have told us over and over again that we are here to represent them, we are here to support the government when they are doing what we can afford to support, to help to carry on the business of the country in a proper way and to oppose measures which are not in the interest of those whom we represent. We are not sent here to build up any party machine nor to strengthen any party machine that is already built up. If this debate has lasted longer than it should have, I believe the country will understand that that is due to the political propaganda that has been carried on.

The soldier settlers in our country are appealing to members of parliament in some way to take enough off their indebtedness that they may be able to make good and hold their farms. I am in favour of immigration to our country, but I want to see the right kind of people coming here and I do not want to see money wasted in bringing in the wrong kind of people. We have a great big country that needs many more people in order that we may carry it on economically and profitably. We have in Canada these soldier settlers, a class of settlers that we cannot afford to ignore, and we should give them an opportunity to make good. They have already suffered loss, and if their equipment and stock have shrunk in value until they will not return the money paid for them, you cannot expect the soldier settlers to carry on under those conditions, because most of them had no capital outside of that furnished to them by the government. They are, therefore, up against an impossibility, and if necessary I would be in favour, instead of spending all our money to bring other settlers into this country, of spending some of it in helping the soldier settlers that we already have here—sufficient at least to enable them to make good. These men have done their very best; and if in some cases they have not come up to the standard that we might expect of them, that is no reason why we should treat shabbily those who have exerted their best efforts. I do not think we can afford to close this session of parliament without doing something to reduce the indebtedness of these men, whose position at the present time is simply impossible.

I have just one word to say with regard to the Hudson Bay railway; I certainly think that undertaking should be carried through to completion. The people in my part of the country are more interested in this matter than they realize. They have not been pushing very strenuously for it because they have had their eyes to the west; they have been looking to western shipping. But I think that this Hudson bay proposition is of more importance to them than they realize just now, and in order to save the investment we have already sunk in it we should go ahead and finish the road. I think we have sufficient information on which to take action.

I have said little about the tariff inasmuch as I felt that these other problems were more important, but I would make just a brief comparison between the United States and Canada. Notwithstanding the great difficulties we have to put up with in Canada, it is my opinion that none of them is great enough to render this country unprofitable for any immigrant who wants to come out to this part of the world and establish a home where he can live comfortably on a farm. In my opinion, such an immigrant would find it more profitable to come to Canada than to go to the United States. I am not saying this as a guess; after the experience of a lifetime in the two countries I have come to this conclusion. I do not suggest that this would be true unless we did our part; we must do our best to

lighten the burden of taxation in every possible way. I can see that the government has so much in the way of fixed charges to contend with that it is a difficult problem for us to reduce taxation in Canada. But at the same time we must do everything we can to relieve the people of this burden to as great an extent as possible, and we must help our people to produce by lowering the cost of production. This is imperative if Canada is to be made a prosperous country. This is not a country in which money can be picked up along the road; you have to work for it. But when this is said, I think that people have in Canada a chance which is greater than can be found anywhere else in the world. That is my opinion, although I do not forget that difficulties do exist. But the more we can and do help ourselves, the more the government can push forward production by assisting the people in the way of reduced taxation and reduced cost of the implements of production. I must apologize for the time I have taken up, but I feel that the subjects I have touched upon call for some consideration, and I shall leave these few remarks with the House.

Mr. G. B. JONES (Royal): I do not intend to answer all the arguments that have been advanced by the speakers who have preceded me, and I shall be as brief as possible in what I have to say, considering the long-drawn-out debate which has taken place on the budget. But coming from the Maritime provinces as I do—that part of the country which was once referred to in the House of Commons as "the shreds and patches of Confederation"—I wish to bring to the attention of the House some matters which at the present time are of very vital interest to our people. Before going into these matters I want to join with others in extending my sympathy to the Minister of Finance (Mr. Fielding). Those of us who come from the Maritime provinces particularly miss him; after reading speeches that he delivered during the Laurier administration, and especially after listening to his budget speeches in 1922 and 1923, I believe we would have had a different presentation to-day had that hon. gentleman been able to take his seat in the House.

11 p.m

As to the present budget proposals, it is not my intention to deal at all with our debt; we all know what it is. We hear one statement coming from one party and some other statement from another party, and it is difficult for anyone who is not very familiar with accounting to know which side is right. But one thing we do know and that is that beyond any question we are taxed to the limit in Canada.

I was very glad to note in the budget proposals the provision for the increase in duty on slack coal, which will be of great benefit to the Maritime provinces as well as to the west. But one would hardly think that we should have experienced what has occurred during the past four years, or nearly four years, since the present administration took over the reins of power, especially after listening to the eloquent statements of the present Minister of National Defence (Mr. Macdonald, Pictou), whose voice was heard, in the campaign of 1921, in the interests of the coal industry of the Maritime provinces and of course of the rest of Canada, as well as in behalf of the steel industry of the Maritimes. One would hardly suppose that such suffering as has been endured by the miners would be necessary, nor would the unsettled state of business which we have witnessed appear to be reasonable, seeing that the hon. member for Pictou is a member of the cabinet and that the government itself has had a solid sixteen from Nova Scotia. I do not see why there should have been any necessity for a strike and nearly starvation before the present government took action.

Another proposal I notice in the budget relates to the export of hydro electric power from Canada to the United States, the only place of course to which we could send such power. This would be all right in a way; if we had any extra energy to ship out of the country it would be well to export it and charge a certain rate on it. But I think it would be a great deal better for this power to be used in our own country for the manufacture of our own raw materials, instead of shipping both the power and the raw materials to the United States to be there manufactured and to give employment there to Canadian labourers who are being driven out of Canada. While I am referring to this matter I may say that there is at present a great development in process in the matter of hydro electric energy in the province of New Brunswick, and in conjunction with this a large industry is being established by New Brunswickers in the border state of Maine; I refer to the Fraser Companies, Limited, of New Brunswick whose head office is at Edmundston in the county of Madawaska. These people have already made arrangements and have let the contract for the building of a very large paper mill at Madawaska on the American side of the river St. John. This is a matter that should certainly be looked into. I cannot understand why the present administration does not take some steps to prevent the ex-

portation of our pulpwood. Even our own business men in New Brunswick are going over to the United States and spending large amounts of money, in the building of a paper-mill to finish our raw material.

Another proposal included in the budget is that of the appointment of a board to review matters of tariff, taxation, and transportation. The country has waited four years for the government to make some announcement in the matter of a policy, but up to the present they have failed to do so. Since the government do not see fit to make any progress in this direction I personally favour the appointment of such a board, because we may then get the government to announce some kind of policy and we shall know what we are doing.

I wish to refer for a few moments to the question of immigration. At the first session of this parliament in 1922 the Maritime members got together on several occasions and discussed the question of immigration. We did not seem to make very much headway, although politics were not mentioned, although members of all parties, Liberal, Conservative and Progressive, met together in an effort to devise ways and means by which some immigration could be brought to the Maritime provinces. I do not think we have ever received our just due in the matter of immigration to that part of the country. So far as population goes, we constitute about one-eighth of the Dominion. A very large amount is expended annually by the federal government, for the purposes of immigration. As a result of some of these meetings it was decided that the then Minister of Immigration, now Minister of the Interior (Mr. Stewart) was to pay a visit to the Maritime provinces. I was to take him to my constituency and give him an opportunity of looking over a number of vacant farms we have in that district. I was to accompany him to Petitcodiac, in the county of Westmoreland, and the hon. Secretary of State (Mr. Copp) was to then introduce him in his constituency. The minister did not make the trip to the Maritime provinces, and shortly after that there was a shuffle in the cabinet and he was relieved of that office. Next year we took the matter up again, but no further progress was made. Last year I brought it up in the committee on National Railways and Shipping, of which I had the honour to be a member, and I was referred to Mr. W. D. Robb, vice-president of the National Railways, who in turn referred me to Mr. C. Price-Green. Mr. Price-Green came from Montreal and attended meetings of the committee, and we arranged that after the session someone from the colonization department of the Canadian National Railways should visit my constituency and other constituencies in New Brunswick. About the first of August a representative of the Canadian National Railways, Mr. Biette, came to my constituency. I spent a week with him, took him over both Kings and Queens counties, and in that time he viewed a large number of farms. Many of them he did not list for various reasons. Those reasons I will not state here; I suppose he thought they were not suitable in every respect. But we did list sixty-five farms. I wish to give the details of a few of the farms that were listed at that time by Mr. Biette. It was my intention originally to read the entire list, but I do not wish to detain the House at this stage of the debate. The first farm that Mr. Biette listed is described as follows:

Location—Erb settlement, Sussex parish, Kings county; 3 miles from Apohaqui; 1½ miles from Secord siding; ½ mile from school; church on corner. Rural route.
Price—$3,000; $1,000 cash; balance on terms.
Acres—400 acres; 75 acres cultivated; orchard 50 trees. Will winter 30 head cattle, 3 horses.
Building—House, frame, 26X34, 1½ storey, 10 rooms. Barns, 2, 26X30 and 30X40. Machinery shed, 12X18. Blacksmith shop. Well house.
Remarks—Consider this good bargain
Reason for selling—Widow

I know this farm very well; it is only a short distance from my own home, and I would say that the house could not be built for $3,000. This is not a farm that is run out; as Mr. Biette says, it will winter thirty cows and three horses, so that it is a going proposition. I may say also that I have called up the office of the National Railways in Montreal in regard to this matter and I have discussed it in committee here; and I am told that the question of immigration for the Maritime provinces is something which must be looked after by the provinces themselves. I do not think that statement will bear the light of day. Millions of dollars are expended in this country on immigration, and as I have pointed out we are a part of confederation, we are entitled to our just due in this matter, and whilst we have splendid opportunities for immigrant settlers, we are continually and repeatedly given the go-by.

Then I will take No. 6.

Location—Collina, Springfield parish, Kings county; 7 miles from Apohaqui; ½ mile from Collina church, school, stores, cheese factory. Rural route.
Price—$800.
Acres—100 acres, 45 cultivated.
Building—House 20x30. Barns, 2, 24x30. Small outbuildings, well, etc., excellent water.
Remarks—Good bargain.
Reason for selling—Old couple, no children.

I said I was going to refer to just a few of these farms that were listed. I will take next No. 10—and I am not making any selection of them; I am simply picking them out at random. The description of this farm is as follows:

Location—Collina, Studholm parish, Kings county, English settlement, 9 miles from Apohaqui; 2½ miles from Collina store, school, cheese factory and church; rural route; telephone. School on next lot.
Price—$1,500.
Acres—100 acres, 50 cultivated. Orchard 40 trees. Well and spring.
Building—House 24x32. Barns, 2, 26x36 and 30x40, new.
Remarks—100,000 feet of lumber on this place.
Reason for selling—Owner has two farms, wishes to dispose of one.

I know this place very well, and I would say that in this case also the house on the property could not be built for the sum asked for the whole property. This farm, as in the case of the first one I referred to, is not by any means run out; it is a going proposition. An immigrant who came in there to-day could make a living, and I believe could make good. Then, No. 23:

Location—Den Road, Cambridge parish, Queens county 2½ miles from Whites cove, store, wharf on Grand lake; ½ mile from School. Rural route.
Price—$1,000.
Area—100 acres, 50 acres cleared.
Building—House, ten rooms. Barn 36x36. Stable, 22x28. Wagon shed, hog house, etc., well and spring through farm.
Remarks—Owner cuts 25 tons of hay off this land every year.
Reason for selling—Party who owns this farm owns another farm and is only able to take care of one place.

The particulars of No. 26 are as follows:

Location—Waterboro parish, Queens county, Den Road, 3 miles from store and wharf at Whites cove, Grand lake, ¾ miles from school; 1¼ miles from church.
Price—$1,000.
Area—150 acres, 45 acres cleared. Can winter 14 cows and 3 horses.
Building—House, 10 rooms. Barn, 30x60. Hog house, hen house, granary, and so forth. Wells, two.
Remarks—Consider this a real bargain.
Reason for selling—The owner is an old man and has two farms, wishes to dispose of one.

I might say that the farms we listed on our trip through Kings and Queens counties were not in back districts but on main thoroughfares and every one on the list I believe has free rural mail delivery, and is close to churches, school house, cheese and butter factories.

Then, No. 41:

Location—Studholm parish, Kings county. Half mile from head of mill stream, cheese and butter factory, churches, stores, grist mill, saw mill, etc. 1 mile from school, ¼ mile from R.R.
Price—$700.
Area—100 acres. 50 acres cleared. Orchard 20 trees.
Building—House, 18x24, kitchen 16x20, roof bad. Wood shed 20x26. Barn 30x44, good. Shed 14x24. Granary 12x14. Pig house, 14x16. Brook through pasture. Good water boiling spring.
Remarks—This is a very good buy.
Reason for selling—Owner has too much land to take care of.

Farm No. 53:

Location—Havelock parish, Kings county, 1 mile from school; ¼ mile from church, 3 miles from cheese factory, stores, etc. Rural Route.
Price—$1,650.
Area—100 acres, 50 acres cleared.
Building—House, 24x28 shingled. Barn 28x34, stable 14x30. Pig pen, hen house, granary. Well. Brook through farm.
Remarks: This property is right on the main road (Cannan road) is an excellent district.
Reason for selling—Owner desires to go elsewhere.

Farm No. 57:

Location—Havelock parish, Kings county ¼ mile from Corn Hill cheese factory, school, blacksmith shop, store, church, and so forth. Rural Route, Telephone—Rural and New Brunswick Telephone Company.
Price—$3,500.
Area—110 acres, 70 acres cleared; orchard, 15 trees.
Buildings—House 24x30, two bay windows, concrete steps, kitchen 14x28, wood shed 18x20, good cellar, excellent repair. Barn, 30x90, stable 18x50 attached, hog house, 24x24. Machinery shed 18x24; garage, 12x12, hen house 12x16. Well; water in house; brook through farm.
Remarks—This is an excellent farm in A1 condition. Good fences around the property, lightning rods on the house.
Reason for selling—Widow.

The last one I wish to mention is No. 61.

Location—Havelock parish, Kings county. 4½ miles from Havelock where there are stores, churches, school, cheese factory, garage, and railroad station. ½ mile from school and cheese factory. Rural route. Telephone.
Price—$300.
Area—100 acres, 40 acres cleared.
Building—House 22x26, kitchen 12x14, fair repair. Barn 26x36, new.
Remarks—This farm is right on the main road. This is a great bargain.

I have put these particulars on record, Mr. Speaker, to show you the kind of properties down there, and I might say that we listed no property that was vacant except in the case of a widow or an old man who owned two places and was not able to farm both, or in the case of young people sometimes with adjoining farms who could not work both. Any vacant farms that we listed were vacant, not because they were not a going proposition, but for one or other of the reasons referred to.

As I brought to the attention of the House a few moments ago, the argument of the Immigration branch of the Canadian National Railways is that their properties in the west can be got very much cheaper. Perhaps that is so, as far as acreage is concerned, but these

properties out west would have no buildings on them, and I claim that every one of the farms listed here is a real value, and needs consideration by the Immigration department of this country. We have propositions to offer intending settlers that should be fully advertised.

Just for a few moments I wish to refer to conditions in my constituency. Agriculture is the chief industry that is followed there. Over fifty per cent of the entire dairy products of the Maritime provinces is manufactured and put up in the constituency that I represent. I do not think that can be successfully contradicted by anyone, because the statement has been made for a number of years down there on different occasions, and I have never known anyone to say that it is not correct. Our farmers at the present time are not very prosperous on account of unsettled conditions, the high cost of living, the great burden of taxation, and especially on account of the very high freight rates on all the commodities they purchase and on the products they have to place on the market. Our dairy farmers have to import large quantities of bran, shorts, middlings and other feeds to keep their stock at a high-producing standard, and their manufactured product of butter, cheese and milk has to be transported a considerable distance to the larger centres and shipping points.

The farmers of this country need protection about as much as any other industry. I noticed in an American paper just a few days ago that the president of the National Dairy Council of the United States, Mr. M. D. Munn, appeared before a committee of the government at Washington urging that the tariff on butter from Canada into the United States be raised from eight to twelve cents. Mr. Munn states that they manufacture in the United States more than two billion pounds of butter, and that they import about twenty-five million pounds, which is a very small amount compared with the amount they produce themselves. He goes on to say, however, that that amount is enough to upset their market and at various times in the year to break their price from five to seventeen cents a pound. We are under the same conditions in this country, especially in the Maritime provinces. Whenever our butter and eggs get up to a fair price there are large imports coming in from the United States, whilst our tariff against their products is less than half what their tariff is against ours.

[Mr. Jones.]

In the province of New Brunswick, the next largest industry to agriculture is lumbering. In the constituency I represent about 75,000,000 feet are cut annually. That amount was cut down considerably during the past year on account of over-production the year before and the slow sale of lumber during the year, due also to the competition that we meet in the New England states, the city of Montreal and other large centres by importation from the Pacific coast. This industry is very badly handicapped, and knowing conditions as I do, I might say that of the large number of operators and manufacturers of lumber on the north shore of the province, I do not believe there are more than two or three whose business is not for sale at the present time. The hon. member for Northumberland, N.B. (Mr. Snowball) is a large operator and has been ever since I can remember. The name of Snowball is very well known in the Maritime provinces but the hon. member's firm is doing very little business this year, in fact it is only operating a portable mill where it has two very large stationary mills. The hon. member in question, during his speech earlier in the debate said that conditions were not extra good in New Brunswick, but quoted newspaper clippings to show that business was improving and that conditions were better than they had been. I have been in business at the place where I am located for the past thirty-five years, and I have never known conditions on the farm, in lumbering, and in industry generally, in that district, to be in such a sluggish and bad state as they are at the present time. To prove this statement I wish to refer to a speech delivered in the New Brunswick legislature on April 8, and the quotation is taken from the Telegraph-Journal, a newspaper printed in the city of St. John, N.B. The gentleman who made the statement in the New Brunswick legislature is Mr. J. D. McKenna, president of the Telegraph-Journal. I am only going to read the headlines placed on the speech; I shall not weary the House by reading the statement itself. One headline is:

Vision provinces, enduring most hideous annexation form in movement to U.S.

Then another one:

King's legislator tells House young people are leaving country by thousands and asks broad minded men devise new methods.

This does not bear out the statement made by many hon. gentlemen who claimed that conditions in Canada are good, and that conditions in the United States are worse than

they are here at the present time. I do not think statements of that character made in this House, would bear the light of investigation. To further demonstrate that conditions are not as they were represented to be by the hon. member for Northumberland, I wish to read an extract from an address delivered by Mr. J. A. McLeod, general manager of the Bank of Nova Scotia, in the city of Toronto. Every person in this country knows that the Bank of Nova Scotia is one of our good, solid, substantial banks and that dependence can be placed upon the statement of its officers. Mr. McLeod, in the address in question, said:

> Last year we referred to the onerous taxation which was pressing upon industry in Canada. There has been no improvement in this situation during the year. If business is to be revived, we feel that some relief from the burden of taxation will have to be given. We fully realize that the cost of the war has to be met, but we do not believe that our governments, by which we mean the Dominion, provincial and municipal authorities, yet realize the seriousness of the situation. New obligations continue to be incurred which are bound to result in increase of taxation rather than decrease. There should be such economy in all departments of government as will permit of some reduction of taxes, in order to encourage the business man to go ahead with new projects in the expectation that he, and not the tax collector, will reap the whole benefit of his industry. The British and United States governments have already made substantial tax reductions, but the tendency of Canadian taxes has been steadily upward. If we are to maintain and develop our foreign trade, our producers and exporters must not be handicapped by a heavier scale of taxation than applies to their competitors in other countries.

Another of our great problems in the Maritime provinces at the present time has to do with the old story of freight rates which have been very much increased. I realize that under conditions as they exist here to-day this is a very hard problem to deal with, but I believe that something could be done in this direction which would tend to relieve the present situation. Just at this point, and to contrast the conditions prevailing in the United States with those existing in Canada I wish to read the following clipping taken from the Financial Review and published a short time ago.

> Railroads Break Freight Records
>
> American Lines Attribute Increase to Manufactured Goods
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> New York, March 20—(United Press).—American railroads during the first ten weeks of 1925 handled the greatest volume of freight ever carried at this season of the year—9,000,328 cars having been loaded from January to March 7.
>
> That is 144,858 cars higher than the previous record established last year.
>
> These figures were announced at the meeting of the directors of the American Railway Association here to-day.
>
> The bulk of the increase has come from manufactured products or commodities used by the manufacturing industry. Since most agricultural products moved last Fall and early in the winter, there has been a decrease in the loadings of those commodities.
>
> On March 1, 1925, railroads had 4,988 serviceable locomotives in storage compared with 3,800 on March 1. 1924.

You will observe that the movement referred to is not the movement of a large quantity of wheat or other natural products; it is a shipment of manufactured goods produced in the United States. It is not my intention to dwell on this matter very much longer except to discuss to some extent matters affecting the Canadian National Railways. In dealing with this branch of the subject I wish to say that I am not inspired by any feeling against the Canadian National Railways. Being a resident in the Maritimes and living on the main line of the National system I have always been a supporter of it and have tried to give it all the business possible. My firm—you will excuse me for this personal reference—gives the Canadian National Railways about 250 car loads of outward freight every year, and about 80 car loads of inward freight, besides freight in less than car load quantities and other business, so that any reference I may make to the National railways is not of a personal nature. I am prompted to speak as I do because of what I would term the most gross extravagance that has prevailed on the National railways under the management of Sir Henry Thornton. When that gentleman was appointed president of the National Railways I certainly was very hopeful that we would see a change in conditions, but as time goes by apparently the management is going from bad to worse. We were assured at the time Sir Henry Thornton was appointed that he would be above political influence, and would not stand for any political interference so far as the management of the road was concerned. I think that everyone in this country at that time believed that Sir Henry Thornton would not stand for any political interference, but after following Sir Henry Thornton in his different trips to the Maritime provinces, and keeping tabs on him in the rest of Canada, I believe that Sir Henry is a very clever and astute politician, and that he is paying about as much attention to the political side of the question as was done by certain officials in the days of the management of the old Intercolonial in the Maritime provinces.

I am glad the Secretary of State (Mr. Copp) is in his seat, because I intend to refer to another matter now. Last December there was a provincial by-election held in the city of Moncton for the seat rendered vacant by the elevation of the Hon. C. W. Robinson to the Senate of Canada. That vacancy existed for

some time, I suppose they considered the seat in Moncton as perhaps a little doubtful, although my hon. friend the Secretary of State in the last federal election had a majority in the vicinity of seven thousand in his constituency.

Mr. COPP: A comfortable majority.

Mr. JONES: A very comfortable majority indeed, and one would think there would not be any fear in bringing on a by-election there and that a member of one of his own party would be able to secure election. The election was held on December 1st, and about a week before the Moncton election Sir Henry Thornton made a trip through the Maritime provinces and conveniently stopped off at Moncton, that being the chief railway town and the head office of the Atlantic railway region of the Canadian National Railways. And by the way a gentleman for whom I have the finest regard, Mr. Matthew Lodge of Moncton, was appointed a director of the Canadian National Railways about that time. I believe he will make a good director and I am not saying anything against his appointment, because I am sure he has the interests of the province at heart, and when he has those interests at heart he will be looking after the interests of Canada as well, because we surely form a part of Canada. Every effort I believe was made by the government of the province of New Brunswick to get certain matters straightened out in Moncton city, and they thought matters were straightened out. However, Mr. Rand, who was a candidate in Moncton and who aspired to the office of Attorney General was defeated by about nine hundred dollars—or rather votes.

Mr. COPP: It cost him more than that sum.

Mr. JONES: I have no doubt it cost him a lot more than that amount, according to reports, and I have every reason to believe they are correct. That night Premier Veniot of our province had to look round for some excuses for this great reverse in that election. One of his excuses was that there was a heavy snowstorm just the day before. Another reason he gave was the unpopularity of the National Railways, that there had been certain dismissals, parties had lost their positions there, and that if he had received Mr. Dalrymple's wire on the previous day in all probability they would have been able to pull through. Mr. Dalrymple, I might say, is the vice-president of the Canadian National Railways.

Mr. COPP: Has the hon. member a copy of the telegram from Mr. Dalrymple?

[Mr. Jones.]

Mr. JONES: No, I have not, but the Premier of New Brunswick said the telegram came a day or two after the election, in place of the day before.

Mr. COPP: I never heard of it.

Mr. JONES: It was public talk in the city of Moncton. I was discussing the matter of the attitude of the management of the Canadian National Railways, and I said at the beginning that I believed there was the most gross extravagance going on, especially under such conditions as we are confronted with in Canada to-day. I am only going to mention a few of them, and the first will be the Scribe hotel in Paris, the grant of $3,000,000, the Union club in London, $1,500,000, and the radio broadcasting stations. It is not only what the cost of the installation of radio stations will be, but their upkeep for all time to come, and of course it is going on all the time. Then we have the golf courses, parks and operation of hotels, and the question of rolling stock on the Canadian National Railways. The first year of Sir Henry Thornton's management of the railways was 1923, and a question was asked of the Department of Railways and Canals regarding the building of new steel cars for the Canadian National. In 1922-1923, being Sir Henry Thornton's first year, he had not got well established in the business, and no new steel cars were purchased, but in 1923-1924 we find that 154 steel cars were bought by the Canadian National; in 1924-25 we find 65 steel cars, or in the two years 219 steel cars were purchased, at a cost of about $15,000,000. I claim these expenditures unwarranted and extravagant under present financial conditions. There are hundreds and hundreds of good first class and other cars which could be used. All they need is a coat of paint and a little repairing of the upholstery to make them all right under conditions such as we are confronted with in this country at the present time. I do not believe the people of this country will approve such extravagant expenditures.

Another matter is the use of private cars. I am not opposed to some private cars. I believe in the use of private cars for presidents of railways, or perhaps for cabinet ministers if they do not abuse it. For managers of railways the private car is just as essential as an office at headquarters, because in going from one point to another in a division they can carry on business just the same practically as in their offices. But what I object to is this: I have heard mention made of trips that Sir Henry Thornton made in the Maritime provinces, and in fact in the rest

of Canada, not merely in private cars but in private trains of eight or ten cars, just as if he were going up and down the country on a joy ride. I object to this expenditure on the Canadian National Railways, because when patrons of the road in remote sections ask for trifling concessions, they are invariably denied their just demands on the plea of economy.

I will close with just one more reference to a matter that was referred to by a number of other hon. members at this and other sessions of parliament. It was referred to this session by the hon. member for York-Sunbury (Mr. Hanson), and it is the matter of representation in this House. I would support and do everything I possibly could to have a reduction in the number of representatives. It is too large. Canada, with a population of eight or nine million people, is certainly overgoverned and there is too much expense in every way. A reduction in the membership of the House would necessitate a reduction in the cabinet by at least one-third, and I believe you would get more effective and better work if the present cabinet were cut in two.

I am also in favour of a reduction in the indemnity, and if the resolution that was on the order paper for a couple of years had ever come to a vote, it was my intention to support it. I believe the session could be shortened up very much, yes, by at least one-third. A lengthy session may be all right for members from Quebec who live in the vicinity of Montreal and that section and members from Ontario who live near Ottawa, but members coming long distances, from the west and the Maritime provinces, are here for five or six months listening to debates on academic questions that get us nowhere.

The Prime Minister, (Mr. Mackenzie King), in his closing remarks referred very feelingly, I thought, to our friends the Progressives in regard to the budget. He told them it was up to them whether they would support him or the amendment of the hon. member for West York (Sir Henry Drayton). He said that if he did not have a good substantial majority, he did not see anything left for him to do, but resign. I do not know what our friends the Progressives are going to do in this regard, but the best thing for them to do if they have any interest in the welfare of this country, would be to oppose the present budget and give the Prime Minister a chance to dissolve parliament, go to the country and receive the condemnation he so richly deserves.

Before I take my seat I wish to say that the Prime Minister favoured me with a speech in my constituency during the campaign of 1921 when he spoke in the opera house in the town of Sussex. There he referred to my right hon. leader as an autocrat. He stated that business was going to the wall; that the cost of living was high, and that if the electors of Canada would only elect him and his party, we would see a great change in conditions in this country. In making his address here to-night, he said that he had reduced the cost of living, but wherein, he did not say. The Canadian people have reasons to think otherwise. I do not know that he said he had increased the speed of the wheels of industry, but that matter will be decided by the electors when an opportunity is given them at the ballot box and the wheels drawing the chariot of the present administration to its down-fall will move with great velocity.

Mr. T. W. BIRD (Nelson): Mr. Speaker, when the Prime Minister (Mr. Mackenzie King) was addressing the House, he charged the opposition with protracting this debate. He threw the charge over to this side of the House in somewhat of an indiscriminate manner, and in order to make the position as clear as possible, I should like to read out these figures which have been given to me and which, I think, will make it absolutely plain to the House who it is that has been protracting the debate. Prior to the present time, 46 Liberals have filled 823 columns of Hansard, averaging 18 columns for each speaker; 26 Conservatives have filled 583 columns of Hansard, averaging 22½ columns each, and 31 Progressives have filled 381 columns of Hansard, averaging 12⅓ columns each. The showing is yet more in favour of the Progressives if you consider the pointedness of the speeches which have been made.

Mr. LADNER: Has the hon. gentleman calculated the number of columns contributed by members on the government side as compared with those contributed by the combined opposition? It is about even.

Mr. BIRD: The government have followed the policy of intervening in the debate after each Conservative and after each Progressive.

Mr. DUFF: No, they have not.

Mr. BIRD: I think, therefore, the charge of protracting the debate does not come very well from that side of the House. The Prime Minister also forgot to make it clear that the Progressives took no part in protracting the debate on the Petersen contract. I thought he forgot also to tell us about his own four-hour speech. All that is by the way. These little matters influence public

opinion to some extent, and for that reason I have taken up time just to make the situation clear.

The House will, perhaps, indulge me for a few moments if I direct its attention, following the example of the Minister of Agriculture (Mr. Motherwell), to the Hudson Bay railway, The Hudson Bay railway is not altogether irrelevant to this debate. If you go on taxing the western farmer, the farmer in general for that matter, every year as you tax him in this budget, in order to benefit other portions of the community, it is only reasonable that this House should pay some attention to proposals which, in some measure at least, may be able to relieve the farmers' situation. With respect to the utterance of the Minister of Agriculture, I do not know whether to take it as a reason for hope or despair. The fact that he professed a change of heart was satisfactory so far as it went. Late conversions are not notoriously noteworthy for their sincerity, but in the case of the minister I do not intend for a moment to question his sincerity. I hope the good work will proceed. We shall not cease to pray for the other western members of the Liberal party. When we get those converted and on our side, we shall have some hope for the rest of the Liberal party in regard to this project. The disturbing part of the minister's speech with regard to the Hudson Bay railway was the tendency which he displayed from the very start to develop heretical ideas about the ports. It seemed to me while he was speaking that the latter part of his utterance destroyed the effect of the first. He came to bless and stayed to curse, so to speak; and there was great glee in the camp of the enemy the day after he had spoken. Unwittingly, perhaps, he played directly into their hands. As to the merits of the discussion itself, I do not want to delay the House by entering in any detail into that at the present time, but I do want to say that all the data which the minister presented to the House has been refuted over and over again in this chamber during the last three years. I would point out also that each one of the authorities he adduced was forty years old or more; they all date back to a time before any systematic investigation had been made. It is only within recent times that these ports have been investigated with any degree of system and thoroughness. If the minister had read the reports of the investigations instituted by his own government and by the late Conservative government, as I have read them, I think he would have hesitated before giving expression to the opinion which he did the other day.

[Mr. Bird.]

Mr. MOTHERWELL: Did the hon. member take note of my remarks with regard to Captain Bernier's evidence?

Mr. BIRD: I was coming to him. As I was saying, if the minister had read these systematic and scientific reports issued by his own government, instead of listening to what after all are only sea yarns, however interesting they may be, he would have refrained from expressing the opinion which he gave. I have the greatest respect for Captain Bernier, whom I consider one of Canada's finest seamen; and I am glad to note that at the age of over seventy he is fitting out for another Arctic expedition. There is no doubt that as a seaman his skill and ability are beyond all question; but as an authority on Port Nelson, I do not think he should have been listened to for a moment by the minister. I am willing to admit that the minister, after an insufficient investigation, has blundered into that position, a position which is contrary to public opinion throughout the west; and the opinion which has come from him is calculated to play into the hands of those opposed to the completion of this road. Public opinion will not be so kind to him as I am prepared to be.

Mr. MOTHERWELL: I will take my chances on that.

Mr. BIRD: Already I have had intimations that opinion in the west regards the minister's utterance as a smoke screen behind which the government can carry on its policy of delay in this matter. There is a time to correct that view, and when the Minister of Railways (Mr. Graham) gives his statement, then the government may have an opportunity to make clear to the public just what its policy is on this important matter. That is all I intend to say at the present time in regard to the Hudson Bay railway.

12 m.

I want to say a few things touching the budget in general. A large part of this debate has been taken up with a wrangling over our methods of government bookkeeping. It appears that we have developed a system of bookkeeping which is designed to justify the government that happens to be in power instead of throwing any real light on the questions before the public. From the debate which has been going on it is impossible to draw any other conclusion. It seems to me to be a system of bookkeeping worthy of a Chinese laundry. What the public needs is not an elaborate and confusing justification of whatever government happens to be in power; the public needs a straightforward,

unequivocal presentation of the facts. Why not put the revenue on one side and the expenditure on the other and give the public a chance to see where the balance really lies? Some countries go so far as to put their annual statement forward in diagrammatic form, and that is a suggestion which I would pass on to the government, so that the man who runs may read and understand without every year having to be dragged through a maze of balances and distinctions that are meant to confuse him. I have been reminded during this debate of the old fashioned grocer who used to keep his accounts by means of certain hieroglyphics which no one understood but himself. It was all right so long as the grocer was an honest man; but how was any one to tell whether he was honest or not? And that is precisely true of our present way of accounting; it has never been meant to enlighten the public but rather to justify the government that happened to be in power. I believe that we have probably spent too much time discussing this matter and too little time discussing what is the real substance, the heart of the annual statement. After all the people are not very much interested in the kind of book entry that has been made; they are interested in the amount of taxes they have been paying and the way in which they have paid them. This year the government has taxed the people to the extent of $290,000,000, a stupendous sum, and the only satisfaction we have in contemplating it is that it is somewhat less than the amount last year. It would be premature to congratulate the government, because when you strike the average for the last three years, which is something like $323,000,000, two or three millions higher than it was when this government came into power—when you look at it in that way, while it may not reflect any discredit on the government it does reveal the plight of the taxpayer. I do not think Edwards Morgan & Company could make it any plainer —$291,000,000 taken from the people in taxes this year. But that is not the really important thing from the taxpayer's point of view —that is, from the point of view of the ordinary taxpayer, the ordinary consumer and producer. What they are interested in, perhaps more than the amount, is the incidence. They want to know just where the blow has fallen, and that is one thing that has been neglected in this debate—an attempt to show the public just how they have been taxed. Canada for many years has been notorious amongst democracies in the way the cost of running an expensive government has been loaded on the shoulders of the consumer. What has happened in the last two or three years? It was bad enough before, but during the two or three years of a professedly popular government, what has happened? We find that in that time indirect taxation has grown from an already high figure of 67 per cent to 80 per cent. That is to say, 80 per cent of the cost of running this country to-day rests upon the shoulders of the consumer and of the producer. Eighty per cent of the interest on the war debt; 80 per cent of our war pensions; 80 per cent of the cost of this debate, rests upon the shoulders of the consumer, the workingman with a family, the soldier settler struggling on a bush farm, the pensioned soldier and his family living on a government pittance. I do not think we can find in this world a country that lays any claim to democratic development that so cheerfully lays the burden where it is most difficult for it to be borne. Search the world through, and I question whether you can find a country where the principle of ability to pay is so much neglected as it is in this Canada of ours. Whether you go to free trade Britain or to protected America, you will find that this is true. In Great Britain 57½ per cent of the taxes are raised by direct taxation, and in the United States 55 per cent; and if you add the estate duty it brings the United States figure up to the level of that of Great Britain, which proves that those two great democracies have been in step in evolving democratic forms of taxation. We in Canada are lagging behind, and the reason is because the governments we have had for a generation or two have not been concerned about legislating for the people as a whole, because the people as a whole during that time have not been represented. Their voice has not been heard here, and the annual budget for more than two generations has absolutely ignored the common people, with the result that at present we are raising by indirect taxation 80 per cent of the total cost of running our government.

Our friends to the right, the Conservatives, are almost silent on this phase of the budget —and very naturally so; it accords well with the ancient Tory practice of bolstering up a privileged few at the expense of the many. But we do not look for that kind of doctrine from a Liberal government whose traditions are so opposed to that kind of taxation. The Conservatives have in their amendment made a gesture in this direction. The leader of the opposition (Mr. Meighen) when he was speaking addressed his remarks most particularly to this side of the House. He looked at

us almost in a threatening manner when he was dealing with this question. Were we as Progressives, he asked, going to vote against an amendment proposing a reduction in the sales tax? Well, we Progressives, while we may be simple men, are not so easily taken in as the leader of the opposition seems to imagine. It is very easy to see through that amendment. A reduction in the sales tax, coming from the Conservative party, simply means baiting the protectionist trap. The Conservative wants to lower the sales tax and the stamp tax and the income tax; where is he going to get his revenue? There is only one source left, and that is the tariff. 'Surely in vain the net is spread in the sight of any bird." He cannot expect the Progressives to be misled by such a simple device as that.

The Conservatives have not said very much about reducing the income tax, but I have noticed that certain papers for a long time now have been exerting a silent pressure in that direction, and it seemed to find an echo in the speech of the member for Vancouver Centre (Mr. Stevens). When that hon. member was speaking he compared the plight of the income tax payer in Vancouver with the plight of the income tax payer in Seattle. I would not question his figures for a moment, but the real significance of them is this: There is no doubt that the income tax payer in Canada is carrying a heavier burden than the individual income tax payer in the United States, but so is the consumer in Canada bearing a heavier burden than the consumer in the United States. The fact is this, that Canada as a country is much more heavily burdened than the United States as a country. We are groaning under a burden that the United States knows nothing about. The difference is this, that in Canada the burden is more inequitably placed than it is in the United States. In the United States the burden is fairly distributed; in Canada the burden has been shifted over onto the backs of the consumer. If you take the contribution of the average tax payer of the United States, you will find it amounts to $17.50; in Canada the average contribution is $6.50, which is a very vivid demonstration of how the burden is being distributed in this Canada of ours, and the result of that policy is written right across Canada. For some years there has been a tendency in this country, on the one side, towards an effiminating luxury, and on the other side, and I speak sincerely when I say it, a tendency to a degrading poverty, and that process has been going on quicker than some hon. gentlemen imagine. Dives has been having a little more purple and fine linen each year, a little more sumptuous living, while poor Lazarus has had just a few less crumbs to his share. You are faced every day of your life with business buildings and bank buildings that resemble pagan temples, and on the other side we have homes which resemble mediaeval hovels rather than homes, and yet there are some hon. members here who would still further denude the homes of the people in order that they might embellish still more the homes of the well-to-do, because that is what this system of taxation means.

I turn for a few moments to the question of the tariff, that time-worn topic in this annual debate. I notice that the two chief protagonists on these occasions are the hon. member for Brome (Mr. McMaster) and the ex-Minister of Finance (Sir Henry Drayton). When the ex-Minister of Finance was speaking, he twitted the member for Brome on his "ism," as he called it, but the ex-Minister of Finance is also smitten with an ism, whether he knows it or not, and I am afraid his ism is perhaps a little more wild-eyed and impractical than the other. The member for Brome has this advantage for his theory, that it has been associated for a long time with the fine traditions of good British common sense, but the ism of the ex-Minister of Finance, as I understand, was spun some years ago out of the brain of a German professor who promulgated the doctrine that it was a very fine and patriotic thing to tax the agricultural population in order to build up a strong productive power. That is real Prussianism, and I want to say that it is just as anti-social as it is anti-British in its spirit. The unfortunate thing is, Mr. Speaker, that humanity cannot live on theories alone, it does not matter how respectable they are. When we are offered free trade on the one hand, and protection on the other, we are really not offered very much at all in a country like this, for this reason, that the Canadian people for one cause and another have never been able to accept either doctrine. A medicine that the stomach will not retain is really no medicine at all, and yet for a good many years Doctor Liberal and Doctor Conservative have been called in to minister to an ailing country. Those nostrums are all that they have ever had to offer to an ailing Canada, and Canada for some reason or other has never found itself in the frame of mind to accept either of them. I think that situation is capable of being explained. I believe the reason that Canada does not accept the doctrine of the hon. member for Brome is because of a certain state of mind. We as Canadians are subject to a

certain fear complex, born of the proximity of another country which far surpasses us in population and productive power. That overshadows us and it makes it very hard to convince the average Canadian of the virtues of the Cobdenite doctrine—very hard indeed. It also makes it very easy for our Tory friends to influence them in the other direction. The one wave of the flag is worth a dozen arguments to our protectionist friends. They do not need to do much arguing at all, for psychology works furiously on their behalf. Now so long as protection dominates the international situation, and so long as the gigantic trusts hide behind these tariff walls and carry on their commercial aggression, just so long will Canadians resist the eloquence, the very fine eloquence, of the hon. member for Brome. I pity him, and I pity them. On the other hand, the reason why Canadians do not accept the protectionist doctrine is purely upon economic grounds.

Canada is a predominantly agricultural country, under the necessity of exporting its products and selling them in the world markets at the world's prices; and so long as that maintains, Mr. Speaker, the average Canadian will resist the doctrine of high protection. But this brings us to a rather curious position to which I want to draw the attention of this House for a few moments, because I think it is a most significant thing in Canadian public life. The attitude of the present Liberal government on the tariff brings us to the crux of the whole situation. That policy of theirs, which is so inconsistent with their out-of-office professions is the most significant thing in Canadian. public life. Now, our Tory friends attribute it to the moral degeneracy of the Liberal politician. I think that is a very superficial way of looking at it. This thing is not due to the moral delinquency of the Liberal politicians. I think on the whole they stand up just as well in that regard as perhaps any of us, But this thing, this strange phenomenon is due not to the moral degeneracy of the Liberal statesman, but rather to the political acumen of Liberal statesmen. That is not a theory of my own, because we have had ample demonstration of it in this debate. The Liberals no longer apologize for that attitude. This is an attitude which comes from divining that public opinion is not crystallized upon this question. For a generation or two the Liberals have pursued that policy. It is a purely political policy. It is as far removed from economics or from the science of government as it can be. It is pure politics, unabashed politics, and for a good many years the policy adopted by the Liberals has been profitable to them. They have got away with it, and it has yielded to them the sweet and delectable fruits of office for a good many years; and after all what is policy for but to win office by? Now the Minister of Justice in his speech—yesterday was it?—alluded to this phase of the question. The Minister of Justice has the typical philosophic mind, and he made it his business to take this political attitude of the Liberals and erect it into a philosophy. I listened very attentively to him while he was trying to do it. The Liberal party from now on is going to assume the role of a centrist group, holding the balance between the Tories on the one hand and the Progressives on the other. They are going to save Canada from disruption by holding that balance. Now, while he was speaking I could not help remembering that that is just exactly what the Liberal party in Great Britain thought, that is just the role they thought they were going to play; but I would remind the hon. minister that it is a position that is getting more and more difficult to hold as people become more enlightened on political matters. Why just fancy this government going to the country and trying to persuade the average Canadian citizen that they are neither the one thing nor the other. We are reminded of the old revival hymn which used to say "Oh to be nothing, nothing!"

Mr. GRAHAM: My hon. friend has sung that often.

Mr. BIRD: Yes? I think I will sing it again, probably, with no diminished fervour. The hon. Minister of Justice thinks that he and his colleagues can tip-toe along the invisible line which divides progress from re-action. I very much doubt whether it can be done any more. A kind of political Blondin that walks over the angry whirlpool of public opinion on the tight-rope of a vacuous policy. They used to be able to do that when I was young, it was the sum and substance of the old political game; but I feel convinced that the game is played out—this old futile game of free trade vs protection played between those two phantom goals for the delight of the Canadian public every four or five years. The public of Canada has undergone mighty changes since those things used to be successful. Somebody here will very likely ask: What is the Progressive attitude on these questions, what is the Progressive attitude on protection and free trade? Well, that goes to the very root of our being, to the very root of our

existence. The Progressives four years ago were sent here as a protest against the predominance of urban ideas in this parliament. The Progressive party has no other cause for existence but that. The tariff is not the only question that has been framed according to urban ideas; there are others too. The tariff was put over on this country, saddled upon it, long before rural Canada was organized. If rural Canada had been organized it never would have been put over. Since that time rural Canada has been organized and it stays organized; and there will be no peace in this parliament until this tariff question is settled along lines that bring something more like justice to the producers of this country.

The farmers of Canada are not unreasonable as some people try to make out. They are not sectional; they are not divisionists; they are among the most stable citizens in this country. The farmers do not think they will ever get it all their own way; they are not numerically preponderant; they never dream they will exercise autocratic political power in this country—that is not the point at all. I do not believe that the average farmer in this country thinks for a moment that he will get his own way even on the tariff question. But I will tell you what the average farmer, at any rate in the west, demands from this government, from this parliament, is a broad, constructive policy that will be designed to give him, for the first time in his existence, something like justice —justice in comparison with other elements in the community. Until now he has had no chance at all. He has been faced in this parliament with governments that were bourgeois in character, that were urbanized in their point of view and still are—governments which had their eyes everlastingly glued to the sources from which came their political power. That kind of thing cannot endure. It is no use the Prime Minister making his emotional appeals to members on this side of the House; we have long ceased to be moved by emotion. The realities of the situation will not permit us to be stirred up by eloquence of that kind. The Prime Minister in his subtle manner may try to drive us before the public mind into a position where we will be looked upon as divisionists and as sectionalists, but we have been too long in the confidence of the people who sent us here to permit him to succeed. He will have to couch his overtures in more reasonable language than he has done before he can meet with any success. What we want is not emotional appeals of the old political kind. We want a definite announcement of what he is prepared to do for rural Canada. He has not given us that. He has evaded the question every time it has been put up to him. His policy has been a policy of evasion, and it is no use trying to answer the proposal that I am presenting by a peroration of the kind that he delivered to-night. I know there is a very insidious influence in that casuistic idea that if we vote against the government we will vote with the Tories, but the Liberals cannot get away with that in the fourth year of our experience here. If it had only been our first year they might have done it. The idea of trying to put us into that camp because we happen to vote against the Liberals is childish. My position is that I am not an enemy of the government. I would gladly support the government if I could see any indication of a policy that would be suited to that portion of the country which I represent. The details of the budget do not concern me very much. I do not scruple very much about the tariff this way or that in any particular budget. My conscience would not balk at that. I am voting on the budget in the way members always vote on it. I am voting on the general policy of the government and on their attitude towards the Crowsnest pass agreement and the Hudson Bay railway. In short, I am voting on their entire attitude towards the rural population of the west.

Mr. MICHAUD: The hon. member is voting like a Tory.

Mr. BIRD: If the way I am going to vote is voting like a Tory I will be proud to vote like one. If that is the hon. member's definition of voting like a Tory I think it argues profound discrimination on his part. I will have to go a long way before I will be as Tory as some of the hon. gentlemen on the other side of the House. What the Canadian public want is for this government not to occupy the dead centre, not to sit there eternally like a row of extinct volcanoes, with no positive proposition that is of any use for the man who is earning his bread on a Canadian farm. The government has to declare itself. It cannot be serving two masters. It cannot be all the time subject to a paralyzing fear from the direction of Montreal and at the same time trying to persuade the Progressives to come over in a body to that side of the House. The government must declare itself, but that is just the thing they dare not do, because if the government did declare itself it would split up into smithereens. The government dare not declare itself on the Crowsnest pass agreement because a fissure would be opened

right through those benches at once. They dare not declare themselves on the Crowsnest pass agreement, because a chasm would immediately yawn right through their midst. But the government would be well advised to declare itself, because the spirit of Liberalism is not dead in this country. It is still to be found in the hearts of the common people. Liberalism is the doctrine of the common people, but the people have ceased almost to hope for any manifestation of it from that side of the House. When I vote against the budget I am voting for Progressive principles, and nobody is going to divert me from voting for Progressive principles. Those principles are what placed me here. That is the trust I have to hold and maintain in this parliament. I have no other reason for being here. No casuistry or no juggling can divert me for one moment from casting my vote on behalf of what I conceive to be Progressive principles and those principles mark you are exactly the same as the principles enunciated by the Liberal party when out of office.

Mr. MICHAUD: Is that the principle the amendment to the budget expresses?

Mr. BIRD: I am not voting for the amendment to the budget and I thought I made that abundantly clear. I said I had no positive dislike for the Liberal policy as they profess it, when out of office, but I have a distinct dislike for the policy of my Conservative friends. I never could hide my dislike of their policy. The only policy of the Liberals that I dislike and to which I am antagonistic is the policy they put in practice immediately they come into office.

Mr. STEWART (Argenteuil): Does my hon. friend object to the reductions in duty which were made last year?

Mr. BIRD: No, I voted for the budget last year and expressed my approval of it.

Mr. MALCOLM: Does the hon. member object to the reduction the government gave in respect of grain rates by the restoration of the Crowsnest pass agreement.

Mr. BIRD: No, it delighted my heart. It struck me that there was something good left in the Liberals after all.

Mr. MALCOLM: Why does the hon. member object?

Mr. BIRD: I do not object. My criticism is not of the Liberal policy, in those details but I want to say the attitude of the government on the Crowsnest pass agreement is not satisfactory and has not been satisfactory. They brought the Crowsnest pass agreement into a very dangerous situation.

Mr. STEWART (Argenteuil): I would like the hon. gentleman to tell us how.

Mr. BIRD: They had full power to prevent the Crowsnest pass agreement being in the situation it is at present.

Mr. MOTHERWELL: The Supreme court gave a decision on the matter.

Mr. BIRD: This government is supposed to maintain the statutes and defend them when necessary.

Mr. STEWART (Argenteuil): It did.

Mr. DUFF: Did not the members of the Progressive party agree with the Liberals on the committee when this question was before them?

Mr. BIRD: What committee?

Mr. DUFF: The hon. gentleman ought to know.

Mr. BIRD: I certainly do not know what the hon. member is thinking about.

Mr. DUFF: Of course the hon. gentleman knows. It was one of the most important committees of the House.

Mr. BIRD: If it will clear up the situation, I will say again that I am not opposed to certain attempts that the Liberal government has made during the last four years to bring something like ordinary justice to the western farmers. But some of those attempts have been half-hearted; some of them have been bungled, and some of those out of which they tried to claim the most merit are by no means settled. Are the government expecting us to vote for them on trust? I think that is what they are doing. They are expecting us to give them a blank cheque. Has the Prime Minister said to us what he is going to do this session? Has he opened up his policy? I do not think he has. It irks me even to seek to introduce a note of political antagonism, but I know the views of my constituents, and those I have expressed are moderate as compared with the views that are held by the people amongst whom I live. I know that is their judgment. I am speaking to the government with a good deal more sympathy in my nature than my words would seem to express.

An hon. MEMBER: I hope so.

Mr. BIRD: I hope, too. I hope my words will bear fruit; that the Liberals will in the future attempt to emulate the doctrine which they so freely preach when out of office. They

are the friends of the farmer, the producer, the working man, when out of office, why not be a friend when in office?

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, for fear there should be any misunderstanding, I would like to say at the outset that the party to which I belong, which consists of myself, is not responsible so far for any space taken up in Hansard save a very small section of some ten lines in which I asked a question of an hon. gentleman on the opposite side. I feel that the American system might be copied in some particulars. In congress, they have a system by which a member can hand in his manuscript and the printer does the rest. I do not know but that it might be advisable to change the rules in that respect.

Mr. POWER: Does the hon. member wish that we give him permission to do that to-night? If so, it will be readily granted.

Mr. SHAW: If I had my speech prepared, I would not hesitate to agree to the suggestion of the hon. member. I would ask the indulgence of the House for a few minutes while I discuss what seem to be the vital and important matters before us. Our attention in this debate, by reason of the amendment and the motion itself, has been attracted in two directions, first of all to the matter of economy and, second, the budget itself directs our attention to matters of finance and of fiscal policy. I dislike being put into a position where my attitude must be entirely one of criticism. If I cannot be in a position where I can helpfully criticize, I have no desire to criticize merely for the sake of criticism. So I approach what few remarks I intend to make, not with the attitude of mere captious criticism, but for the purpose of seeing if I can add anything of value to this already overburdened Hansard.

It seems to me that, with regard to the question of economy, there are two promising and fertile fields for investigation into our situation to-day. There is, first of all, the railway situation. The matter has been gone into at great length; but briefly, the position assumed by the hon. member for North Waterloo (Mr. Euler) expresses so clearly and definitely the views that I hold in the matter that I do not propose to weary the House by going into it in any detail this evening. In the first place, I am convinced that consolidation of these two railway systems must come. I am convinced likewise that that consolidation must be only under a system of national ownership. If these points are established, if they are accepted, why cannot we take steps now to accomplish our purpose? Why wait until one or the other system gives evidence of a breakdown before we actually put our hands, as the government of Canada, to the wheel, take control of the situation and save, not millions, but tens of millions of dollars annually? After all, both railways get their money from the people of Canada; the people of Canada pay the railway transportation charges, and if one railway steadily increases its earnings, the other railway will necessarily, and to an increasing extent in the future, decrease its earnings. So, I say, if these two principles are established, why should the government, why should not this parliament, now formulate a definite proposal, present it to the Canadian Pacific Railway Company and say: Here is a proposition for your acceptance or refusal? The Canadian Pacific will realize that if they refuse the proposal, they must face the competition of the Canadian National Railways in increasing measure in the future, with the result that, perhaps, in a few short years it may be in a much worse position as regards deficits than the Canadian National is in to-day. So I suggest to the government that now is the opportune time, now is the appointed hour to present to the Canadian Pacific a proposition for the consolidation of these two railways. I have not the slightest doubt that a consolidation of that character will save tens of millions of dollars yearly. It is important that the opportunity should be grasped. There is no use in trying to save money in petty ways when in such a large way we can save such vast sums.

The next field and a very promising field for the economizing in expenditure of the public money is that of federal administration. Government, after all, is the biggest and most important business that we have in this country. The government should aim to be a model employer. The government should also, keeping this principle in mind, aim to establish economical and efficient business administration. In the field of government expenditure and administration do we reach those high standards in any particular? Some people look at the anuual expenditures; they are shocked by the amounts, and then they promptly wield the sword on the heads of any unoffending civil servants who may happen to be within their reach. That, it seems to me, is not the proper way to approach this problem. Whatever fault there may be rests, not with the individual civil servant, but rather with the system which has grown up in this country.

May I preface what I have to say by asking hon. members this question for example: What are the numbers of our civil servants and what is the payroll of the civil service? I am going to give you two or three figures. A Senate committee last year made a very careful examination of this and allied problems and they came to the conclusion that for the fiscal year ending March 31, 1924, the government of Canada had on its payroll 42,238 employees, the annual payroll amounting to $48,206,527. The hon. member for Bow River (Mr. Garland) at the beginning of the session asked for a return showing the cost of the civil service, and the number of employees in the month of January, 1924, as well as in July of the same year. The figures submitted show that in January, 1924, there were 38,062 employees at a monthly cost of $4,746,694.90. These were the figures given Hansard to-night by the Prime Minister (Mr. Mackenzie King). In the month of July, 1924, the number of employees was 40,927, the monthly salary including bonus being $4,814,724. Taking these two months as the average, this would indicate that the annual payroll is $58,000,000 and not $48,000,000 as the Senate found. I turn now to the Auditor General's report for last year and I find therein that the cost of the civil service is given as not less than $74,000,000 per annum Why these vast discrepancies—forty-eight, fifty-eight, and seventy-four millions? I wonder which of these is right.

An hon. MEMBER: One is for the inside service while the other includes inside and outside.

Mr. SHAW: If the hon. gentleman is using these terms in their accepted sense he is mistaken. Now, we find that in Canada we have under our system thirty-six officers holding the rank of deputy minister and enjoying an annual payroll amounting to $277,500; whereas in the United States there are only twenty-one heads of departments with an annual payroll of $157,500. I am not suggesting at all that these men in Canada are over-paid: I believe in paying the best possible salary and requiring the best possible service in return. But I do think that we are altogether too much over-departmentalized. May I now make some reference to a matter which was discussed the other day by the hon. member for West Lambton (Mr. LeSueur).

Mr. GRAHAM: I think it would be fair to say that the heads of the departments in the United States do not have to spend six months of the year in session; they are not members of congress.

Mr. SHAW: I am not talking about cabinet ministers in Canada; I am referring to deputy heads of departments. The hon. member for West Lambton discussed in some detail the bureau of the budget as established in the United States, and I would like to give to the House, if I may, a somewhat more comprehensive survey of the situation in that country in order that we may see if it is possible to make in this country some application of a system which seems to me to have much merit. I am not doing this in any spirit of criticism. Perhaps I might tell a story here. A rooster had wandered somewhat afield from his own barnyard and he discovered to his surprise a large ostrich egg. With infinite patience and with much labour he rolled it up before the gaze of his admiring flock, to whom he gave this assurance, "This is not intended as a reflection; it only shows what can be done". It is in that spirit that I desire to say something with regard to the bureau of the budget. The Budget and Accounting Act of the United States was passed in the year 1921. At that time the United States had a very large debt approximating $24,000,000,000, and they had an annual expenditure of $5,700,000,000. In the year ending June 30, 1921, their deficit was something like $80,000,000. On account of the financial chaos and the generally difficult conditions in which that country found itself, congress at that time passed the Budget and Accounting Act to come into effect on July 1, 1921. Perhaps I should say one or two things with regard to the purpose of that act, and in this connection I may read a statement made by President Harding before a group of the departmental heads in that government. He said:

1 a.m.

I am very glad to come before you and stand sponsor for this meeting. The present administration of the federal government is committed to a period of economy and efficiency in government. The statement is not made with any thought of criticizing what has gone before. It is made in a new realization of the necessity of driving at the loose, unscientific expenditures of government. There is not a menace in the world to-day like that of growing public indebtedness and mounting public expenditures. There has seemingly grown up an impression that the public treasuries are inexhaustible things, and with it a conviction that no efficiency and no economy are ever to be thought of in public expense.

We want to reverse things. Congress, in order to aid in the change of policy, has provided, for the first time in the history of the federal government, for a bureau of the budget. It has been my privilege and my responsibility to choose the director of the budget. After a conference with him, it was

decided that the way to begin with an efficient system under the budget was to look to those who are in fact responsible for government efficiency and economy. Sometimes in our habits we overlook those who really do things in this world, and in the federal government there are tens of thousands of public servants who are giving the best that is in them to bring about a satisfactory administration of affairs, but whom the public never knows.

I want to bring into this picture of a drive for efficiency and economy you servants of the government who are directly responsible for a better order of affairs, if it is to be brought about.

And so the first thing President Harding did was to appoint General Dawes to be director of the budget. General Dawes was a former controller of the United States treasury in the McKinley administration, and he knew much about the civil service. He had been chief of staff overseas of the United States army during the war, a position of tremendous importance and responsibility, and it was felt that he would be a good man, with the adequate amount of experience and training, to give the United States a business government. The first thing he did was to select some twelve or fifteen of the best business men of the United States whom he could gather together. May I say that General Dawes agreed to stay only for a year, and that at a salary of $7,500, and he engaged the business men at one dollar per year. They went to Washington and went into the various departments of government. General Dawes decided that he was not going to build up a new bureau, a new form of autocracy; he determined to make use of the men in the various departments; so from the departments he selected key men familiar with the work of the various government services, who were to be strictly responsible to the director of the budget, the director himself being the direct agent of the President of the United States. Now, what did General Dawes find when he commenced to investigate the service? He found a great deal of duplication of service. He found considerable over-manning. He found that as soon as a vote was granted, the departments, as a general rule, felt that it was necessary for them to spend the amount appropriated. He found that, generally speaking, government was in a very inefficient condition and working certainly at a great disadvantage.

General Dawes promptly called the meeting to which I have referred, which was addressed by President Harding from whose address on that occasion I have just read an extract. Their work in connection with the estimates would ordinarily have been concerned with the year 1923, because with the fiscal year ending on June 30, the estimates had already been provided by congress for the ensuing year. But General Dawes was not satisfied with that. He said: We will look into these estimates that have already been passed by congress. Accordingly he asked the heads of the various departments to submit to him, with the assistance of the officers he had selected in each department, recommendations with a view to economizing in expenditure. Within a month he had a report, and the result was that the amounts provided by congress were reduced to the extent of some $112,000,000. Now, let me give some further figures. We have been so accustomed to dealing in millions, throwing them recklessly about here and there, that perhaps hon. members will not object if we raise it a little bit and call it billions.

For the fiscal year ending June 30, 1921, the expenditure of the United States government was $5,538,000,000, and the receipts totalled $5,624,000,000. For the year ending June 30, 1922, the first year of the operation of this budget, the expenditure had been decreased over $1,700,000,000, to the sum of $3,795,000,000. The receipts of the government, by reason of lessened taxation made possible by reductions in expenditures, were reduced to $4,109,000,000, a drop of $1,500,000,000. For the year ending June 30, 1923, the expenditure was further reduced to $3,697,000,000, and the receipts also, by reason of lessened taxes, fell to $4,007,000,000. In the year ending June 30, 1924, the expenses of the United States government were further reduced to $3,497,000,000 and the receipts totalled $3,995,000,000.

Now, the estimated expenditure for the year ending June 30, 1925, was $3,083,000,000. I should say that under this system the President meets half-yearly the officers of the budget bureau heads. In his address to the gathering in June last President Coolidge asked them to reduce this expenditure to three billions, and for the current year, as the result of continued executive pressure, the estimates have been reduced to that figure. What has been the result of the bureau's activities? Putting it in percentages, before this budget scheme developed the expenditure of the United States government was 59 per cent of all governmental expenditure throughout the United States.

Mr. McMASTER: Including state and municipal?

Mr. SHAW: Yes, state and municipal expenditures. The figures have just been reversed, so that to-day only 41 per cent of governmental expenditure in the United States is

represented by federal expenditure. May I say, too, that the public debt of the United States in that period has decreased from $23,976,000,000 to $21,254,000,000, a decrease in three years of $2,722,000,000, an interest saving alone of $120,000,000 a year. Further, and as one result the tax receipts of the United States government have been decreased to the extent of $6,000,000 a day. Not only that, but the personnel of the service has been reduced in that period by 51,000; in the month of March last it was reduced by a further 2,500.

As I have indicated the director of the budget was at first concerned primarily in revising estimates. But he soon found that he could render much more valuable service than that, so he undertook the work of co-ordinating the public services. Now, I know that a word like "co-ordinate" is not acceptable to some people in this House. I know that the right hon. leader of the opposition will object if I use the word "co-operation", and others will object if I use the word "collaboration". But I may say on the authority of General Lord that these words have been written into the United States civil service dictionary for the first time, and now that service understands fully the significance of these words.

As I say, General Dawes in his investigation found within a short period of years a tremendous overlapping in the services. What did he do? He appointed a chief co-ordinator in whom he had the utmost confidence. He then appointed assistant co-ordinators with jurisdiction in nine areas in the United States, those areas corresponding with the existing military districts. It is the duty of these persons to see to it there that there is no overlapping, no over manning, no duplication in the service. Let me suggest one of the things discovered. The War Department of the United States had a large quantity of surplus supplies. They called for tenders and sold them to a group of speculators at figures much below the original purchase price, and the speculators promptly turned round and sold at a great advance exactly the same goods to the Naval Department. That is the sort of thing that was going on in the United States service. The director of the budget among other things organized a central purchasing department, something that is very greatly needed in this country, and generally the whole system has worked out entirely satisfactorily. As I said before, business meetings are held every six months, with the President and the members of his cabinet right on the platform, and the director of the budget talks to them just as he talks to those who come under his immediate supervision. Every few months the director of the budget calls for reports from bureau heads and from his co-ordinating staffs and asks them: What have you done in the last few months in the direction of economy? They make their reports, and it is rather interesting to read what has been done as a matter of actual practice as the result of the application of this system.

Hon. members may be interested in knowing what this costs, because after all the cost of such an organization is an important factor. In the first year, congress appropriated the sum of $225,000 for this service. The bureau of the budget spent only $120,000 in the first year, and the estimate for the current year is just $180,000. That small expense is possible by reason of the fact that the director is using the services already provided. He stands there as the direct agent of the President, who is the chief executive officer of that nation. He has his finger upon every department, and with the co-operation of these departments with his own staff collected for co-ordination purposes he has been able to achieve the results which I have indicated.

Now there can be no doubt that this result has been largely achieved by reason of the budget bureau, and by reason too, particularly, of the splendid spirit which has animated the whole civil service. A real spirit of co-operation is certainly evidenced in the United States. Just let me read one or two words from the statement of President Coolidge on June 30, 1924. He said:

> The insistent demand for economy and reduction in expenditures necessarily requires increasing efficiency of administration. I realize that it is making an ever increasing call upon the administrative ability of responsible officials, but this is a call for real service. It demands a most searching inquiry into the field of your activities, so as to remove entirely from them all elements which are not essential, and so as to curtail all those which may be reduced without prejudice to the welfare of the nation.

He says further, and this I commend to the members of this House:

> We must have no carelessness in our dealings with public property or the expenditure of public money. Such a condition is characteristic either of an undeveloped people or of a decadent civilization. America is neither. It stands out strong and vigorous and mature.

Further on he says:

> I am for economy. After that I am for more economy. At this time and under present conditions that is my conception of serving all the people.

Now it is all very well to see what can be done, but have these facts no immediate

concern for us in this country? I suggest, Mr. Speaker, that they have. We had in 1923 a committee appointed by this parliament for the purpose of investigating the operation of the Civil Service Act, and one of the suggestions made by that committee, whose report, however, was never adopted by this parliament, reads as follows:

> Your committee is impressed with the necessity of co-ordinating and harmonizing the various departments of the public service into one efficient administrative unit in order to prevent duplication and over-lapping and to eliminate over-staffing.
>
> Some progress has been made, but your committee is convinced that the fullest efficiency can only be secured by definitely charging some central authority with this important task. The Prime Minister, it is suggested, is the proper authority to act as the co-ordinating head and business manager of all government services, but the serious and grave responsibilities attached to his office, particularly with reference to government policies, would probably make it necessary that this duty should be delegated to an expert, in the same manner that the government has delegated its responsibility in connection with the management of government railways. Such an expert could be also entrusted with the duty of supervising public purchasing and contracts, with a view of securing business efficiency.

That is the recommendation of the Malcolm committee of 1923. I am not going to tell you who was responsible for writing into the report that particular provision, but I want to make what I think is a practical suggestion. First of all, the success of the United States plan has resulted from the application of executive pressure through the executive agent, the director of the budget. The Prime Minister, I think it cannot be denied, is the chief executive of this nation. He is charged, in addition to other duties, with administrative functions. He is the one who is primarily responsible. Now I say, let us give him the machinery, let us give him whatever is necessary in order to carry out his duties, and then let us hold him fully and completely responsible for economy and efficiency in all government expenditure.

We have in this country a Civil Service Commission which has two functions to perform, an examination function for the purpose of determining the qualifications of applicants for the service, and a second function, namely, the duty of organization. I am not going to discuss the first function, but in regard to the second, I claim that the Civil Service Commission have wholly failed. They have not, except in a few isolated instances, made any attempt to carry out their statutory obligations to organize efficiently the various departments of government, and what is the reason they give for their failure? The reason given is that they cannot get the co-operation of the government departments. Now I suggest the act makes no provision about getting the co-operation of government departments. The act says it is the commission's duty, and there being no limitation, they must be held accountable for their failure in that regard.

Sir EUGENE FISET: Did they not reorganize some departments of the government, but not all?

Mr. SHAW: I am giving the reason for their failure to go into all the departments of the government. I did say they have gone into one or two departments, the Printing Bureau, for instance, and the Militia department, and I think they have organized those departments efficiently, but with regard to the Interior department, for example, they have not apparently as yet developed any scheme of reorganization, and that is a department which I think stands in great need, and I say it without reflecting on anybody, of the closest scrutiny with a view to reorganization. If I may use the lurid language of General Dawes, when he found that there were some department heads he had difficulty in co-operating with, he said that it seemed like using a pile driver to kill a flea but that he was prepared to put the hook, as he called it, into these rat holes of covert hostility, and in that way secure co-operation and assistance.

Now my idea is this, that this organization branch of the Civil Service Commission should by an act of this parliament be taken away from the Civil Service Commission and be placed directly under the Prime Minister of this country. It should be made directly responsible to him as the chief executive officer of this country, and then, given his opportunity, given his duty, we should hold the Prime Minister responsible to see that there was developed in Canada an efficient business administration. If some such policy was adopted I am satisfied that there would be a tremendous saving in government expenditures and in the expenditure on the public service in this country. The saving to the country I suggest, under the consolidation of the railways would mount up to tens of millions of dollars a year. The reorganization of the public service would certainly save millions of dollars a year.

I come now to the fiscal proposals embodied in the budget. Frankly I propose to vote for the motion, and I am going to tell the House my reason. There are two or three items in the budget that I want to discuss very shortly. There is a reduction in the tariff, so far as it affects well-drilling machinery, of 22½ per cent. This is a very substantial reduction. The tariff on well-drilling machinery is a tax from which western Canada has sought relief for many years. We have great hopes

in the province from which I come that our whole area is underlaid with oil reservoirs—I hope it is anyway—but the depth is such that the ordinary Canadian machinery is not adequate to meet the difficulties incident to deep well-drilling. The result has been that we have been forced to largely buy well-drilling machinery from Pennsylvania and pay a duty of 27½ per cent, and in that way this enterprise—which under the best of circumstances must be a speculative one—this effort to develop our natural resources is hampered by reason of this heavy tariff exaction. And so I look with approval, and I am sure the people of western Canada do also, to that very substantial reduction in the tariff on well-drilling machinery.

There is another item to which I wish to direct attention, and that is the matter of the duty on slack coal. Here there has been an increase. Now, I do not pretend to be dogmatic so far as particular items in the tariff are concerned. If I felt that that increase of the duty on slack coal would solve the serious labour problems in the province of Nova Scotia, or the serious coal-mining problems in the province of Alberta, I would not hesitate for a single moment in the interests of peace and harmony in those fields to sacrifice my principles to the extent of voting for the duty on slack coal. In my opinion, regardless of what may be said, the economic unity of this country is an absolute essential, economic peace in Canada is an absolute essential; and we in a matter of this kind cannot say that we are called upon to pay too high a price or make too much of a sacrifice of principle if it has the effect suggested. Frankly I do not know. The coal miners in my province are in favour of it; the coal miners, as I understand it, in the province of Nova Scotia have assumed a non-committal attitude, and have suggested that they want primarily a fact-finding commission for the purpose of investigating Besco. But with that reservation, with the reservation that I am not sure that the duty on slack coal will have the effect contended, I say that if it did accomplish that purpose I would have no hesitation whatever in the interests of the economic unity of this country in supporting that proposal.

Now the budget does not advance very much beyond the tariff proposals of last year. It is suggested that we have got to allow a breathing spell after the proposals which were incorporated in the budget of last year. There is no doubt that our revenues have fallen very much, and it may be that it is desirable that for the present at least no further substantial change should be made. In this connection I am reminded of a speech made by the hon. member for Brome (Mr. McMaster) on the occasion of the Liberal convention held in this city. I recall his militant language; I think, perhaps, he may have been slightly intoxicated—

Some hon. MEMBERS: Oh, oh.

Mr. SHAW: Perhaps my hon. friends will permit me to finish. He may have been slightly intoxicated with the enthusiasm of the occasion which led him to use this somewhat militant language. He said—and apparently he pointed in a certain direction—"yonder is the castle of special privilege surrounded by the redoubts of protection." I take it he was referring to this chamber, or to the government of the day, perhaps, and then his suggestion was "Let's up and at 'em". Now when the smoke of battle cleared away I think the hon. member for Brome retired from the stricken field dismayed—shall I say?—but yet undaunted. I have had a little experience in military matters, and one lesson which I learned was this: That where you find an enemy entrenched—my hon. friend from Brome would indicate that the forces of special privilege were entrenched, and I think he is right—the attack must be made by men who are like-minded and who have the one high purpose to serve. If there are deserters why of course the attack will not likely be a successful one. But in addition to that, experience shows that where specially entrenched foes of this character are attacked, the attack seldom can be made in one grand effort—it must be done by continuously exerted pressure. Every new position gained must be consolidated before a further attack is made. And so I feel with regard to the tariff that we must consolidate the position already secured if we hope finally to achieve the result to which all aspire. Then may I say again that in tariff matters I have tried to adopt a consistent position. I think perhaps if hon. members will examine my record on tariff matters before the House they will find that my position in supporting this budget this morning is absolutely consistent. Let me just shortly indicate—and I state this only for the benefit of my friends whose confidence and good wishes I would like to maintain: I am indifferent as to my enemies—the course which I have pursued. In 1922 I voted against the government proposals because to my recollection they went—in fact they did not go at all. In 1923 we had a slight advance, as I recall, on the budget of 1922. There was some lowering of the tariff on some important items—not con-

siderable but some; there was a turning in the direction at least of freer trade. But in conjunction with that the tariff was also raised in some particulars. Not only that but we had the introduction of copper bounties, of hemp bounties, and I do not know what other bounties. And I was surprised to find this year that some of my hon. friends on this side of the House were parties to the introduction at least of one of those bounties. As I say in 1923, because of the suggestion that tariff stability was the thing required and because of that more or less mixed budget I voted against the government's proposals. In 1924 we had a situation which has not persisted, a situation which did not exist before during my experience in this House. An amendment to the government proposals which went a considerable distance in the direction of freer trade was proposed by the hon. member for Centre Winnipeg (Mr. Woodsworth), an amendment which represented my fiscal views on the tariff. I had no hesitation, although I found myself only in the company of sixteen or seventeen hon. members, in supporting the amendment to the budget which was then proposed, but I did not deny support to the government for the proposals such as it made. So I say that my position to-day is thoroughly consistent, if consistency be a virtue. I do not know that it always is, but if consistency be a virtue my position to-day is substantially and exactly in accord with the position I have always taken on tariff questions. More than that I am satisfied that the issue is directly between those who stand for freer trade, be the progress slow or fast, and those who stand for high protection. Personally I do not propose by my vote to give any solace or comfort whatever to the advocates of high protection in this chamber or outside of it. Under the circumstances, in voting against the present proposals of the government it seems to me that I would be directly doing what it is my purpose not to do.

I apologize to the House for having taken the time in discussing my position, but I feel, by reason of the misrepresentation which has been made as to my position, that in all fairness I should make my position perfectly clear.

There are a couple of matters I desire to speak about before I conclude. The first is the matter of rural credits. I sincerely hope that the government this year will not allow the opportunity to pass without giving effect at least to some variety of long term rural credit. We all speak about the importance of agriculture. We all stress its difficulties and its trials. I think we are all well advised in so doing. There is no problem to my mind of such consequence to the farmers to-day, particularly those in western Canada where the need is greatest, as adequate credit facilities at a low interest rate, and credit of a kind suitable to the needs and requirements of agriculture. The farmer in western Canada to-day has only two sources of supply to meet his demand. He may go to the bank, but he cannot borrow money on his real property from the bank, because that is prohibited under the terms of the Bank Act. He may go to a mortgage company but its rates of interest vary from eight per cent upwards. No farmer in western Canada can afford to pay eight per cent per annum, and the result is that the farmers find themselves in continual and increasing financial difficulties. More than that, the Canadian farmer must meet the competition of the world. He must meet competitors, all of whom enjoy rural credit facilities at a much lower interest rate than he himself enjoys, and so I say to the government, if many things must pass by the board, let not this particular subject be forgotten. I know there are interests, financial and otherwise, that are opposed to it. I know that there is propaganda abroad in the land against a system of rural credit, but I say to the government, of all the problems before us no one is deserving of prior consideration to this matter of adequate credit facilities for our farming population.

Another matter to which perhaps I may be permitted to direct the attention of the House is the matter of railway rates. Unlike the hon. member for Nelson (Mr. Bird), I do not hesitate to say that the government has, in my judgment during the whole course of this controversy beginning with the very first session of this parliament, taken exactly the correct and proper attitude with regard to the Crowsnest pass agreement. The hon. member for Nelson has apparently not studied this matter with his usual capacity and industry, because the fact is that in 1922, at the first session of this parliament, the government allowed the one section of that rate agreement covering eastbound commodities,—to come into operation, and in July last year, they allowed, by the effluxion of time and the operation of law, the section of the agreement dealing with westbound rates to go automatically into effect. What else could the government do? They might have taken the opposite position and introduced legislation to prevent the operation of the Crowsnest pass agreement. But they did not. Along

came the Board of Railway Commissioners. They heard a case, and they held in October of last year that the Crowsnest pass agreement, although incorporated in a statute of this country, was not an agreement binding on the railway commission. An appeal was taken to the Privy Council in Canada, and the Privy Council held that the Crowsnest pass agreement, in so far as it had been affected by the judgment of the railway commission, should again come into effect. What else could the government do? There was nothing further they could do. This is the very application which I made before the Governor in Council when I attended here acting on behalf of the United Farmers of Alberta in November last.

Mr. McMASTER: Was the appeal made to the Privy Council? Was it not rather to the Supreme court?

Mr. SHAW: There was an appeal made by the provinces to the Privy Council, and subsequently an appeal to the Supreme Court of Canada. The two methods of appeal are open. Then later the matter came up under the consideration of the Supreme Court of Canada, and that court refused to follow the railway commission and endorsed the position taken by the Privy Council, the difficulty arises in the restricted application of the Crowsnest pass agreement by reason of the decision of the Supreme Court of Canada.

Mr. JACOBS: Was not the appeal to the Privy Council in Canada, to the government?

Mr. SHAW: The hon. member is quite right. I should have said to the Privy Council of Canada. The position is that by reason of that decision of the Supreme Court of Canada the Crowsnest pass agreement has only a restricted application, and the result is a certain amount of rate chaos and rate discrimination in all parts of Canada. I am satisfied the government must take action in the matter. I trust the government will take no action which will eliminate this Crowsnest pass agreement as a rate-controlling safeguard to the people of western Canada. I think the people of eastern Canada do not realize the significance of that agreement. That agreement arose primarily because, while other parts of Canada had the benefits of water competition, thereby keeping their rates down to a minimum, western Canada, by reason of its geographical position has no such safeguard. Suppose there is a railway deficit and no maximum rate controlling agreement such as the Crowsnest pass agreement, such deficit can only be collected in rates from western Canada. In other words any deficit of the Canadian National Railways could only be made good by the people of western Canada. Now we do not want that. We want to pay our fair share, we pay now some fifteen per cent increase in the rates imposed on eastern Canada. We do not want, in addition, to have piled on to that, for the purpose of making our railways show a balance, any deficit that accumulates from year to year.

May I, just in conclusion, suggest that to the appeal for unity in this country, certainly I for one as a Canadian will not turn a deaf ear. We have great difficulties. We have diversities, not only in economic conditions, but in our people. We have racial differences, religious differences. It is urgent, and vitally important, that every effort should be made to weld a real nationality out of Canada as it exists to-day. Ours is a country struggling against the facts of geography; and unless we are prepared to do our part in seeking and furthering all proper plans or suggestions by which we can preserve unity, this country has a very sad future. As a Canadian I have always objected to and will continue to protest against the suggestion of secession in this country. In western Canada there are, from time to time, suggestions of that kind, and I think they should be frowned upon, not only because they are impossible of accomplishment but also because the last state would be worse than the first. This would, without question, divide the country and make impossible of success the result that we should achieve, make impossible the achievement for this country of the destiny which, I am sure, we all hope for and desire. No mere Hudson Bay railway will solve the problems of Canada. I for one quite frankly am against the Hudson Bay railway proposal. I am satisfied the people of western Canada are not a unit at all in connection with that project. I know, in the province from which I come, by reason of the opening up and development of the Vancouver route not nearly as much interest is taken in it as in other days. But this is not a plan which will solve our problems. We require the closest studentship into the great economic difficulties that surround us if we hope ultimately to secure unity, and after all political unity can be based only upon economic solidarity.

Mr. HOEY: Did the United Farmers of Alberta at their last conference not pass a resolution asking for the immediate completion of the Hudson Bay railway?

Mr. SHAW: The United Farmers of Alberta from year to year have passed such a resolution. This year, if my recollection is correct, there was no discussion on it at all. If the project had been discussed, I doubt in view of the changed conditions that I have suggested, if the proposal would have received anything like the support that it did receive.

Mr. McMURRAY: Before Alberta got an opening through to the coast, were the people of that province not very much in favour of the Hudson Bay railway?

Mr. SHAW: I rather think they were.

Mr. W. A. BLACK (Halifax): Mr. Speaker much has been said respecting the budget; it has been many times criticized and attempts have been made to uphold it. I will not take up the time of the House over it except to say that, with conditions as they have been in Canada during the past twelve months, with well-managed business houses closing their books, year after year, with a loss, is it reasonable to suppose that the business of this government, or any government, managed in an unbusiness-like way, can show a profit? —to have a surplus—I do not believe the budget, as presented to this House, represents the actual financial state of the country.

In my address before this House last session, I deplored the situation in relation to the Maritime provinces, especially regarding Nova Scotia, and I expressed the hope that some steps might be taken by the government to discover causes and apply remedies. I hoped that my colleagues representing that province would exert themselves to disclose reasons for the depression now existing amongst us, and endeavour to improve conditions. Further, I referred to the fact that I had lived in a pre-confederation period and have had personal experience of the results which have come to the province since the formation of the union. I was speaking with knowledge. I speak now with knowledge. Impressed by that knowledge, after laying the case as fairly as I could before the government and parliament, I said this:

> I implore the government to rectify the grievances. I say to you, Mr. Speaker, and the country, that early action is imperative. I warn you that failure will bring us all to regret, if not to disaster.

Now, after a year is passed, I ask myself if anything has been done by the government of the day to rectify the grievances which I referred to; or to insipre the people of the province of Nova Scotia with confidence in the government; or to decrease discontent and distrust, and to increase buoyancy of spirits and contentment. I am forced to say that conditions are worse to-day than they were a year ago, and that the government has not taken any heed of the warnings I venture to give them.

I realize that the government has proposed a change in the tariff on coal. This is being reluctantly done after persistent representations were made to them. But it is a small measure of the justice which the province of Nova Scotia demands—which it justifiably demands—and which it should be receiving at the hands of the government.

At the time representations were made to the government in regard to the coal duties, the need of tariff assistance for the Nova Scotia steel industry was just as strongly urged upon them. But nothing is being done for it. The argument for the one is just as powerful as the argument for the other. Why, I ask, is the province being put off again with a pittance instead of substantial justice? It is a well known fact that the government's tariff changes of 1924 militated seriously against the stability and progress of the Nova Scotia steel industry. Certain of its products were the raw materials of other industrial plants in central Canada. These plants were the only markets of the Nova Scotia steel industry for such products. This government deliberately took those markets from the Nova Scotia steel industry. They did that by tariff changes which permitted the plants in central Canada to import, free of duty, products of the classes I refer to, for the purposes of their manufacturing business; and worse still, they enlarged the classes of plants which might thus import such products free of duty. This action of the government was a telling blow at the Nova Scotia steel industry. It deprived that industry of markets. It forced that industry partially to close its doors. Its men were laid off. The injury extended to the coal mining industry. The quantity of coal used in the steel plants was substantially reduced. Men who work in the mines were thrown out of employment, or put on short time. In brief, the government's decision to let foreign steel makers supply the products which should be made in Nova Scotia, and foreign labour do the work which should be done by Nova Scotia labour, contributed largely to the industrial debacle which is now being witnessed in eastern Nova Scotia and which is palsying the whole economic life of this province. When representative men a few weeks ago presented these matters to the government, and besought them to deal fairly with those two fundamental and vital industries of Nova

Scotia, coal and steel, the government grudgingly agreed to make a small concession to Nova Scotia in regard to coal, but turned a deaf ear to the equally convincing argument for justice in regard to the steel industry.

This government is pursuing the fetish of low cost of living as if it were a thing of substance. It is only an incident of existing conditions. Low cost of living is the evidence of few opportunities. Higher cost of living is the evidence of many opportunities. Of what advantage, might I ask, could cheap living be to the men of the coal mining industry and their families in eastern Nova Scotia when they are unable to obtain employment and earn wages? Give them steady work and good wages and they would never be heard grumbling about high cost of living. The government magnifies this fetish into a creed, apparently thinking that the acme of contentment would be reached if everything were cheap. How can everything be cheap unless wages be lowered, and people be willing to adopt primitive methods of living? Shall we emulate the nationalities that are contented to live in squalid conditions, whose spirituality finds no expression in the comforts and accompaniments of modern life as we would have it in our own country, in order that Canada may be advertised as a cheap country? I say, Mr. Speaker, that the government's policy in this regard is founded in error, and stupidly persisted in. Let prices go up, let wages go up, let opportunities increase, let prosperity grow. These things are all incidents one of the other. It is infinitely better to have a country so conditioned, than one in which a man can live cheaply, but find himself in a dead environment.

Mr. ARCHAMBAULT: I rise to a point of order; I call to your attention, Mr. Speaker, the fact that the hon. member is reading his speech, which is contrary to the rules of the House.

Mr. SPEAKER: Unquestionably it is against the rules for any hon. member to read his speech, but I must say that in the course of this long and protracted debate there has been a tendency in all parts of the House, if not to abuse, at any rate to deviate from the spirit of this rule. Hon. members on all sides have been reading their notes. There are certain amenities that should be observed in the House and when a new member is speaking he is generally accorded by unanimous consent the courtesy of referring to his notes. Under the circumstances I would ask the hon. member (Mr. Archambault) not to press the point.

Mr. ARCHAMBAULT: It is now two o'clock in the morning and I think that the Speaker should enforce the rule in this case. We have been listening to speeches all night and we shall probably not reach a vote until five or six o'clock. The hon. gentleman is not a new member, and he read his speech last year. I insist on the point of order.

2 a.m.

Mr. SPEAKER: The spirit of the rule is of course that no speeches shall be read. But I cannot prevent the hon. member from referring to his notes, and I take it that this is all he is doing.

Mr. BLACK (Halifax): I assure you, Mr Speaker, and the hon. gentleman who has interrupted me, that I am merely following some extended notes as did the hon. gentleman, Mr. Archambault, when addressing the house two days ago. There has been a great deal of discussion in which the issue has been the state of the country in general. On the government side, reams of figures have been put into Hansard to prove that Canada is prosperous. I may say that these figures do not prove anything. We have only to look around and see with our own eyes and know that the figures do not truly testify. If this great mass of statistics were collected and published in one massive volume, and were placed in the hands of the people of Nova Scotia, not one mind would be convinced by them. The people would not be convinced because they know by personal experience and through personal knowledge that Nova Scotia was never, in all of its history, passing through such a gruelling period of depression as it is suffering to-day. Yet this government thinks to make Nova Scotians believe that they are really in a golden era; and that that golden era is the product of the wisdom and activity of the government. When Nova Scotians ask for bread they are handed a stone. When they ask for redress of grievances and the granting of a fair measure of justice in accordance with the undertakings given at the time of confederation and since then, they are supplied with volumes of figures, and are told to study those figures and be satisfied that the government of the day is providing bountifully for them, and have bestowed upon them prosperity such as they never enjoyed.

It is a tragedy in history that there should be in control of the affairs of this country a government so blind to facts, and so impervious to the force of reason, and deaf to the

calls of justice, as is the government now in office in Canada.

I shall not repeat what has been often well said in regard to the understandings and agreements which were corner-stones in the union of the provinces in 1867; which understandings and agreements, Nova Scotia claims have not been faithfully lived up to; in respect to which Nova Scotia claims redress. These matters have been fully set before the governments of the dominions. But the people of the province are still forced to wait for a square deal.

Let me remind the House further of that other later period of history, pregnant with interest to Nova Scotia, when the government of the day assisted the great ventures of constructing second and third transcontinental lines of railway at enormous cost. We in the Maritime provinces were again given pledges by the government. We were invited to support the government's policy, with the assurance that it would mean the inauguration of national transportation on Canadian territory and through Canadian ports. Our country was to be freed from the domination in commerce and transportation of the neighboring republic. The Maritime provinces were to reap the direct and fructifying fruits of this national policy. At last some justice was to be accorded to them. This is one of the pledges given in 1903 by Right Hon. W. S. Fielding, now Finance Minister whose continued illness, I, in common with other hon. members, deplore:

> Surely, Sir, the time has come after years of deception, humbugging and trickery about the lines of the Maritime provinces, that faith should be kept with these people, and they should have a through line running on Canadian territory from ocean to ocean.

I might refer to the national pledges which the then Prime Minister, Sir Wilfrid Laurier, and his government gave to the people, speaking in the House on July 30, 1903. On one occasion he said:

> Now, Sir, we lay it down as a principle, upon which we are to be judged by friend and foe, that we are to have a transcontinental railway, and that its terminus must be in Canadian waters, and that the whole line, every inch of it, must be in Canadian territory. We say further, that such a line is a necessity to our commercial independence.

Mr. ARCHAMBAULT: I beg to move that by unanimous consent the hon. member have leave to put the notes on Hansard.

Mr. BLACK (Halifax): I will quote again, Sir, from the speech of Sir Wilfrid Laurier on the occasion referred to. This is what he said:

> Now, there is another feature of this contract to which I shall call the attention of the House. If we have gone into this contract, our intention has been, as stated in the preamble, to force traffic in Canadian channels and through Canadian waters. We have made it a special condition of the contract and this condition is expressed in section 42, as follows.

The section referred to, paragraph 42, reads as follows:

> It is hereby declared and agreed between the parties to this agreement that the aid herein provided for is granted by the government of Canada for the express purpose of encouraging the development of Canadian trade and the transportation of goods through Canadian channels. The company accepts the aid on these conditions, and agree that all freight originating on the line of the railway, or its branches, not specifically routed otherwise by the shipper, shall, when destined for points in Canada be carried entirely on Canadian territory or between Canadian inland ports, and that the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports, and that all such traffic, not specifically routed otherwise by the shipper, shall be carried to Canadian ports.

Paragraph 43 emphasizes that. It says:

> The company further agrees that it shall not, in any matter within its power, directly or indirectly advise or encourage the transportation of such freight by routes other than those provided above, but shall in all respects, in good faith, use its utmost endeavours to fulfil the conditions upon which public aid is granted, namely the development of trade through Canadian ocean ports and Canadian channels.

These two sections have been a dead letter since they were written twenty-two years ago. Again, in 1911 when the Canadian Northern Ontario railway was seeking assistance, we had this provision in the legislation granting that assistance:

> It is hereby declared that the aid herein provided for is granted by the government for the express purpose of encouraging the transportation of goods through Canadian channels.

Then again in 1914, when that same railway was applying to parliament for $45,000,000, we had this declaration:

> That at all times hereafter all freight originating on the lines of the Canadian Northern Railway, or on the lines of any of the constituent companies, or on any line or lines of railway now or hereafter owned, leased or operated by the Canadian Northern, or by any of the constituent or subsidiary companies, their successors or assigns, shall, when destined to points in Canada, be carried over the lines of the Canadian Northern or of the constituent companies, or over some other Canadian railway or railways (which term shall include the line operated by the Canadian Pacific Railway Company between Montreal and St. John, N.B.) and that the through rate on export traffic from the point of origin to the point of destination shall not be greater via Canadian ports than it would be via United States ports; and that all inward and outward ocean traffic shall be carried to Canadian ports, and that the Canadian Northern and the several constituent and subsidiary companies shall not, in any matter within their power or control, directly or indirectly advise or encourage the transportation of any such freight by routes other than those above provided, but shall in all respects, in good faith, use their utmost endeavours to further the development of trade through Canadian channels and Canadian ports.

I have not taken the time to read these paragraphs in their entirety, but with the permission of the House I would ask that they be placed on Hansard.

Again I would quote from the Right Hon. W. S. Fielding, as follows:

> With this road built, instead of being dependent on the Canadian Pacific Railway only, St. John will have two strings to its bow. Not a pound of traffic that goes to St. John now will be taken away, and St. John will stand its chance of getting a fair share of the new traffic to be created by this road. Halifax with its peerless harbour will have advantages which it has not hitherto enjoyed. Surely, Sir, the time has come after years of deception, humbugging and trickery about the lines to the Maritime Provinces, that faith should be kept with these people, and they should have a through line running on Canadian territory from ocean to ocean.

What, may I ask, is the faith that was to be kept; and how has it been kept? While these assurances were being given out by the leaders I have mentioned, in another place, the Hon. Mr. Scott, cabinet minister in the government of Sir Wilfrid Laurier, was explaining the situation in these words:

> Therefore, it is to our interest if we are going to have that grain go east through Halifax and ports along the St. Lawrence, to do something to induce it to go there.

It goes without saying that Nova Scotia has contributed its full share to all public works in Canada. But let us consider her position in this matter. The Maritime provinces' portion of the cost of railways and canals since confederation amounts to the huge sum of $304,745,338. Nova Scotia, having a population of a little less than one-half of the three provinces, pays, $152,372,669, or say, $150,000,000, which is equal, in round figures, to 2¾ millions annually. What has Nova Scotia in return for this huge expenditure? Not a foot of transcontinental railway was ever built in the province—not a canal.

Mr. DUFF: Where would you build canals in Nova Scotia?

Mr. BLACK (Halifax): You can answer that.

Mr. DUFF: I am asking you.

Mr. BLACK (Halifax): These figures are amazing, and I am sure will surprise not only members of this House but the country generally, and especially Nova Scotians. Public buildings cost Nova Scotians about $150,000 annually, over and above income. Under such conditions as these, can the government of Canada ignore the demands of the Maritimes, especially those of Nova Scotia? But, Mr. Speaker, faith has not been kept. The railways have been built. First the Intercolonial railway, which was to be the special agency for the development of the Maritime provinces by providing those provinces the means of reaching the markets of central Canada. Later the railways sponsored in 1903 were built for the purposes mentioned by the leaders of the country whom I mentioned. But instead of helping developing the Maritime provinces, instead of helping them and making them prosperous; they have been converted into agencies for the depression of those provinces. They have become millstones around the necks of the Maritime provinces. They have imposed freight rates which deny Maritime people access to the markets that were warranted to them in the days of nation building. Listen while I read the language of Premier Armstrong in regard to this matter:

> The remedy for this condition undoubtedly lies in a Canadian-wide appreciation of Maritime disabilities, and a general realization that excessive freight rates are choking out our industrial life.

I do not preach sectionalism; such is inadvisable, in fact deplorable.

Nova Scotians are not suppliants. They ask that pledges be carried out. A policy is what they want which will benefit all sections of the country. This government has no policy that benefits any section of our Dominion.

The question of freight rates is a burning one with Nova Scotians. So exorbitant are these rates that traffic is being handled daily by other means. I give one instance: The freight rate on brick, less than car-loads, from Pugwash to Dorchester, is one and a half times greater than the cost of the brick. I read this morning that sugar is being shipped from the Halifax and St. John refineries to Montreal by water—the freight and charges being less than if shipped by rail.

Western shippers complain of ocean freight rates when they reach 10 per cent of the value of the article shipped; what would they say if the rates were from 50 to 150 per cent of the value of their products?

In addition to this, the 5 per cent sales tax is a serious handicap on basic commodities used in the building trades.

As to the promises of 1903, not a vestige of satisfaction has been awarded to the people of Nova Scotia. The keeping of faith is still a mere figure of speech. And the grain spoken of by Hon. Mr. Scott has been pouring out through foreign ports without regard to promises made or the vital necessity of building up Canadian commerce on Canadian territory, and doing at least some of the "forcing" through Canadian ports, which Sir Wilfrid Laurier so vividly portrayed and pledged the country to see done.

I do not overlook the fact that after prolonged electioneering dodging, a contract is at last let for the construction of a small grain elevator at Halifax. The government evaded its election promises in this regard as long as it could, and only took steps to have the promises made good, in part after it was driven out of every hole of retreat. This, again, is but a slight instalment of the "good faith" promised to Nova Scotia over twenty years ago. It will not go very far towards restoring the province to its rightful place in the Canadian confederation. The government cannot excuse themselves by asserting that they do not possess understanding of the minds of the people of my province and the other Maritime provinces. It is well known that the Premier of Nova Scotia has been at Ottawa on several occasions, and that he brought back with him alleged glittering assurances from the government there. These have proved to be entirely made of tinsel, which quickly fades. If Premier Armstrong truly reported what was said to him by the Prime Minister and others of his cabinet, we are again forced to the conclusion that good faith is not being kept.

Twelve months ago, after the duty on fertilizer was reduced, a factory in Halifax closed down. The buildings are now vacant, and the machinery idle. This factory gave employment to a number of men, nearly all of whom supported families; to-day they are probably with the tens of thousands across the line, to the south of us. This factory was a further benefit to Halifax, because the company imported cargoes of raw material, such as phosphate rock, bones, and so forth, and the vessels which brought these cargoes disbursed large sums of money in the port—pilotage, for instance, hospital dues, port wardens' fees, tug-boat charges, wages earned by longshoremen in the discharging and storing of the cargoes, insurance thereon; furthermore, each of the members of the crew of the vessel, from the captain down, receives the wages due him, or at least a portion thereof, a portion at least of which is spent amongst the shopkeepers of the city. The vessel is provisioned for her next voyage and buys more or less paint, rope, canvas, and so forth, possibly going into dry-dock. Quite a large sum of money is disbursed in this operation which is now lost to our longshoremen, shop-keepers and others. This is a concrete instance of the value of one small industry to a community. After the closing of this factory, what did I find? Belgian fertilizer was imported and advertised, and as evidence, I could exhibit an advertisement, a whole page nearly, in large attractive letters and form. Details of this kind are, perhaps, not often given in this House, Mr. Speaker, but I look upon these cases as a striking result of free trade policy in this country, and worthy of mention.

A similar factory in Sydney, was also closed down.

Now a word as to immigration. The Maritimes have not even been thought of, or mentioned, in this connection. They have no status in the Immigration department of this government. A suggestion was made to that department that half a dozen families of Hebrideans out of several hundred reported coming to Canada this spring be located in Nova Scotia, but the idea was pooh-poohed; all these people were wanted out west. Yet out of the two hundred and one-third millions of dollars spent on immigration by Canada, Nova Scotia contributed $400,000 of this amount, without a family being located in that province.

National Parks receive liberal federal aid, about $2,763,000 having been spent on such parks throughout the entire country, but the Maritime portion is insignificant.

I submit, Sir, that the Maritimes are a valuable asset to Canada, contributing as they do so generously to the finance of this country, and possessing such exceptional and diversified natural resources, but apparently no place have they in the minds of this government.

Owing largely to the immigration policy of the United States, the number of steamers calling at Halifax has considerably increased. The dock facilities are insufficient, and these steamers are delayed in consequence on account of the incomplete wharf and shed accommodation at the new terminals, and although the department of the government responsible for this work has been repeatedly appealed to for completion of these different works, nothing has been done. Again is Nova Scotia ignored, as she is in so many other instances.

Mr. DUFF: Does my hon. friend say that this government is responsible for the building of the Halifax terminals?

Mr. BLACK (Halifax): They are responsible for not completing them.

Mr. DUFF: You said they were responsible for building them. The Tory government built them, and you know it.

Mr. MEIGHEN: You are getting sleepy.

Mr. DUFF: The hon. member is

Mr. BLACK (Halifax): Hundreds of thousands of dollars can be spent on radios, but not one dollar can be obtained for the completion of the necessary sheds and facilities for economically conducting the business of the port of Halifax.

Very recently, however, as this House knows, a very large delegation of Maritime province men came to Ottawa to interview the government and the members of parliament; and to lay before them the case of those provinces. I am speaking in the hearing of honourable gentlemen who saw and heard this delegation; and I can safely leave it to them to say whether or not that delegation presented a powerful argument on behalf of the Maritime provinces. I am satisfied that they did; and that what was said shows conclusively that if this country is to make the progress which we all, as good Canadians, desire, measures must be adopted to wipe out the discontent which prevails in those provinces, and to give the people substantial reason for believing that they are not to be further treated with disdain. This feeling, I regret to say, prevails. I can call Premier Armstrong to witness on the point. In April, 1923, an interview with him was published in a Montreal newspaper, and he expressed himself as follows:

> While dismissing any ideas of secession, however, the Premier pointed out that the people of the Maritime provinces felt keenly that they have not been fairly treated by the rest of the Dominion. They have been made to feel, he said, that they are and should remain isolated, more or less forgotten, tolerated at the best and not provided for like the more fortunate provinces to the west.

I commend these sentiments to the earnest consideration of the government. They should convince the government that the utterances of the Maritime provinces are not the catch-penny cries of a few partisans; but are the expressions of sincere convictions of the whole people. And I remind the government that it is disastrous to the whole country to have any parts of Canada imbued with the conviction that justice is not being done.

What I have just said is emphasized by the stand which the government of Nova Scotia is now taking in regard to what are deemed to be the wrongs and the rights of the province. Premier Armstrong has submitted to the legislature a series of resolutions in which he sets out these wrongs and rights as his government sees them. It is unnecesary for me to say whether I concur in all of his views. For the purposes of my argument it is sufficient to state that the government of the province, now confronted with general elections which must be held within a few weeks, is forced by existing conditions to agonize over the distressful state of the province, and to appeal to the government of the Dominion and this parliament for the square deal which has been so long denied. It may be true that Premier Armstrong is taking this action because his government has lost the confidence of the people, and he hopes by these means to win back that confidence. The fact remains that the people are dissatisfied and discontented, that the province is not making progress, that the outlook is discouraging, and that the blame is largely placed on the shoulders of the Dominion government for neglecting to recognize the just claims of the province.

This is how the people are thinking; and it is vitally necessary to eliminate this conviction from their minds, if it be desired to have contented Maritime provinces and a united Canada. Hon. members will see that I am not exaggerating. The final proof, if any more were needed, is expressed in the attitude of the Armstrong government, the friends of the government of the Dominion. The Armstrong government would not assume the attitude I have described if they did not feel themselves forced into the position by the overwhelming power of public conviction in the province, and their own impending destruction.

Nova Scotians are still crossing the line—the best blood of the country, skilled in all departments of work—in order that they earn a livelihood. It is said that there are more Nova Scotians in Massachusetts and the New England states than in the province itself.

I, at times, picture our fair province with all these native born at home—Halifax, a city of 150,000 and all other parts of the country doubled or more in population. What a bee hive we would have. What numbers to feed, clothe, and so on. But alas! Industries are closed, markets are unreachable, and on all hands there is idleness.

In conclusion, therefore, I again entreat the government of the day to give heed to the warnings that come from Nova Scotia. I repeat what I said last year, that early action is imperative. I repeat the warning. that failure will bring us all regret, if not disaster.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, while I am sorry to have to make my remarks at this late hour, I do not intend on that account to apologize for a moment. I claim it is my right to make the observations I intend to make to-night, and that in doing so I am only performing my duty. During the debate on the Address

in reply to the Speech from the Throne, arrangements were made to desist from further discussion. I as a Progressive member was the next on the list to speak when that arrangement was arrived at, and I agreed to drop out. I would have been willing to do the same to-night, had such an arrangement been made in time, I would gladly have agreed to any proposal such as that. I do not think the time is entirely lost in discussing matters here; but when a debate is drawn out to the length that this one has been, I do not think there is any real value in any further discussion. However, I must make my remarks even at this late hour. Hon. members will wonder, perhaps, what it is I have to say. They will wonder if I have anything new to offer, and I think perhaps I have. My remarks will be based more especially upon the Auditor General's report, and I will have figures to prove any of the statements or arguments that I advance.

I intend on this occasion to make a plea for economy, as I have done on previous occasions in this House. Hon. members have discussed the same question; in fact there have been pleas for economy from all sections of the chamber. But the truth is, Mr. Speaker, that we prate about economy and forget the very first principle involved in it, and that is to spend less money. I am going to make the charge that this government have failed to adopt any real policy of genuine economy, notwithstanding the excellent speech delivered by the Prime Minister to-night. He told us that we had a surplus of $11,000,000 over ordinary expenditure this year, but he admits that there was an increase in the public debt of between two and three million dollars. It appears to me, Mr. Speaker, even with my imperfect knowledge of book-keeping, that we are still in the hole, and that we have cause to worry yet. I intend to prove that this government have not enforced a policy of economy to the satisfaction of the people who have to pay the bill if not to the satisfaction of the government itself. Can I not say in truth, Mr. Speaker, that every revision of the salaries of the public servants of this country since this government came into power has been a revision upwards? Can I not say that this government have found offices for a group of favorites? In this connection I might mention Mr. Duncan Marshall, and Hon. Dr. Pugsley now deceased, not forgetting W. T. R. Preston. I want to prove on the present occasion that not only has there been an increase in the inside government offices in Canada, but there has been an increase in the expenditure in the outside service. I have some figures here extracted from the Auditor General's report of 1923 and 1924. I wish to place these on Hansard for their educational effect, because I do not believe people know money is being spent in this manner. First, I wish to say that there has been an increase in the expenditure on the high commissioner's office in London. In the year 1923 the total expenditure in connection with that office was $112,107. In 1924 it had grown to $121,905, an increase of $9,978. The Paris agency in 1923 cost $29,942, in 1924 $31,065, an increase of $1,123.

The Canadian representative in the United States in 1923 cost $10,994; in 1924, $13,008, an increase of $2,014.

Now it seems to me that a policy of economy can be inaugurated in regard to our overseas offices. I see there are travelling expenses in connection with the high commissioner's office, notwithstanding the fact that he is drawing a salary of $10,000 a year and $5,000 in lieu of house and furniture. I see he has a travelling account in 1922 of $2,913, in 1923 a travelling account of $4,168 and in 1924 of $5,265. In the Paris agency we have a man by the name of Philippe Roy. He receives a salary of $14,000 a year, and in addition to that a bonus of $500. As far as I can go back in the Public Accounts, I find he has an allowance of $3,000 for the maintenance of an automobile. It seems to me that $3,000 would purchase a brand new automobile every year, and I think economy should be exercised there. In 1923 I see he had a travelling account of $1,582.

I have on previous occasions placed the fact before this House that we have spent considerable amounts of public money in entertainments, public dinners and so on. I do not intend to go into that at length to-night, but I have selected four items which I intend to give to the House. These are not all by any means, because in going through the Auditor General's report and the Public Accounts we will find there are dozens of public entertainments and dinners. Sometimes we find items of $50 and $75 for cigars and cigarettes.

I do not wish to be partial or to make any charges against the present government that cannot be made against all previous governments, and therefore I have selected two dinners from the Auditor General's report of 1921, first a dinner to the Imperial Press Conference in Ottawa which cost the sum of $1,335.56, and also a dinner to the French Mission at the Country club which cost $1,257.67. That was the previous government. In 1923—and now it is the present government—we find an entertainment at the experi-

mental farm Ottawa, $1,115. Then there is a grant to the entertainment of the A.V.M.A., $1,000.

An hon. MEMBER: What is that?

Mr. LEADER: I cannot tell you. It is all very well, Mr. Speaker, to say, "Hurrah boys!" when you are spending other people's money. I want to read to the House to-night some of the hotel bills we have paid for distinguished visitors coming to Canada. The figures I am quoting are from the Auditor General's report of 1921. These expenses were incurred by the previous government. The expenses are as follows:

French mission, hotel expenses, Chateau Frontenac Hotel	$680
Windsor Hotel, Montreal	872
Chateau Laurier, Ottawa	755
King Edward Hotel, Toronto	339
Royal Connaught Hotel, Hamilton	458
Clifton Hotel, Niagara Falls	757

Of course they had to see the falls. Then the previous government also entertained a lady—a distinguished lady no doubt—by the name of Miss Cartier. One of her expense bills in connection with the Ritz Carleton hotel was $1,218.

Mr. BOYS: Can the hon. member verify that?

Mr. LEADER: Yes, everything I have said is accurate. I have some figures here in regard to trips taken by members of the government and cabinet ministers attending conferences in Europe. I am also going to give figures of expenses incurred by the previous government and expenses incurred by the present government. In 1921 we start off with the ex-Prime Minister (Mr. Meighen) travelling expenses $7,293, and Hon. Dr. Tolmie, $6,831. Then we have expenses of delegates to the League of Nations at Geneva:

Hon. C. J. Doherty, Sir George Foster, Hon. N. W. Rowell	$14,645

At the Genoa conference we have travelling expenses as follows:

Sir Charles Gordon	$8,000
Edouard Montpetit	8,000

Then these distinguished gentlemen I have last mentioned have had the sum of $1,131 for hospitality fund entertainment. I do not know what that would mean, unless it would mean that they took $1,131 and said, "Hurrah boys! have this on me to-night".

Then we have the conference—also by the previous government—on the Limitations of Armaments at Washington, headed by Sir Robert Borden, with a total cost of $17,956.57. Then expenses incurred here, including $1,500 for a second hand Cadillac car. The car had to be repaired and insured. Making a total cost of $1,938.

Now we come to expenses incurred by the present government. First is travelling expenses to the League of Nations:

1923: Travelling expenses to the League of Nations:		
Hon. W. S. Fielding		
Hon. Ernest Lapointe and staff	$15,391 00	
Expenses of Mr. Fielding to Brussels and Paris	8,265 00	
International Labour Conference:		
Hon. Ernest Lapointe	1,784 00	
Hon. James Murdock	3,482 00	
Total expenses of delegates		$12,625 00
1924: Imperial Economic Conference:		
Travelling and living expenses of Premier King and staff	3,032 00	
Hon. Geo. P. Graham and staff	6,217 00	
Sir Lomer Gouin and staff	6,698 00	
	$15,947 00	

The Prime Minister took with him as adviser or secretary O. D. Skelton, and the charge for him for services at $50 a day and travelling expenses $5,068. In addition to Mr. Skelton they employed a secretary overseas in the person of Mr. Reed Hyde, London, England, at £7 per day. His expenses amounted to $3,966.

Then we have the Canadian League of Nations, travelling expenses:

George P. Graham and staff	$4,605
Sir Lomer Gouin and staff	5,402

Considerable work has been involved in obtaining these figures, and I have boiled them down as much as I possibly could. I have an item here which I wish to give to the House and I have prepared a brief statement. These are the travelling expenses of the ministers in each department in Ottawa. These figures include the travelling expenses of each minister and his immediate official staff:

Post Office Department	$ 4,828
Justice Department	2,415
Public Works Department	30,330
Customs and Excise Department	6,820
External Affairs Department	1,467
Agriculture Department	86,591
Railways Department	12,369
Trade and Commerce Department	3,374
Secretary of State Department	24,325
Interior Department	25,182
Militia and Defence Department	23,637
Labour Department	2,729
Total	$224,067

This is a mere bagatelle in comparison with the millions that, I think I can safely say, are spent annually by the civil service of this country in travelling expenses. For instance, in the Department of Agriculture alone, I think the amount will total nearly $200,000,

with the stock promoters—commercial travellers, you might call them—that are employed in that department.

Again, placing the two old parties together, because many people say that there is very little difference, if any, between them, I have gone to the trouble of finding out what the travelling expenses of the previous government amount to, and I find they total up almost equal to those of the present government.

Mr. JACOBS: Does the hon. member contend that these people should travel for nothing?

Mr. LEADER: I do not, but I am pleading to-night for economy. There is room here for us to save a few hundred thousand dollars to the taxpayers of this country, if we would utilize the keen brains that, I know, each and every one of the ministers possesses.

Mr. JACOBS: Is the hon. member able to place a figure upon what these gentlemen should have spent when in Europe?

Mr. LEADER: I do not know, but I think if they were travelling at their own expense, they could cut it one-half. As I stated before, what I am saying to-night is a matter of education for the people of this country, because I do not believe they know how their money is being spent.

I want now to deal briefly with some extracts from the Auditor General's report in regard to our external affairs. The duty and function of the Minister of External Affairs who, in our case and in that of the previous government is the Prime Minister himself, is one of entertainment. A great deal of the money spent in that department is spent in entertaining distinguished visitors who come to Canada. I am going to read to the House some of the expenses incurred by the previous government. This is taken from the Auditor General's report for the year ended March 31, 1922:

Visit of Premier Massey of New Zealand.. ..	$ 593 11
Unforeseen expenses..	606 11
	$1,199 52
Visit of Admiral Beatty..	$1,506 83
Visit of delegation from Washington of American senators and congressmen..	1,517 20
Dinner at Royal Ottawa Golf Club, $695.65; special cars to golf club, $45..	740 65
Luncheon at Chateau Laurier..	300 00
E. J. Chambers, personal services, $300; travelling expenses, $176.55..	476 55
Visit of Marshall Foch ($1,053.70)—	
Hotel expenses: Chateau Frontenac, Quebec, $134.45; Windsor Hotel, Montreal, $258.50	392 95
Auto hire, $486.25; telegrams, $42.58; sundries, $27.92..	556 75
E. J. Chambers, travelling expenses..	104 00

Then, coming to 1923, we have the following expenses incurred by the present government:

Visit of Rt. Hon. Srinivasa Sastri ($6,106.84)—	
Transportation, $1,451.78; supplies for private car, $316.79..	1,768 57
Hotel expenses: Victoria, $447.40; Vancouver, $186.45; Lake Louise, $35.50; Banff, $25.95; Winnipeg, $76.75; Ottawa, $268.41; Montreal, $602.65; Quebec, $202.40..	1,845 51
Dinner at Country Club, Ottawa, $635.85; entertainment at Niagara Falls, $46.30.. ..	682 15
Motor hire, $405.90; telegrams and telephone messages, $178.48; baggage transfer, $78.60	662 98
Meals, $50.10; tips, $155.45; album of press clippings, $125..	330 55

No doubt this would be interesting reading to that distinguished visitor when he reads all the nice things that the Ottawa papers said about him. There is another item here from the Auditor General's report of 1923-24, in connection with unforeseen expenses:

Transportation and entertainment of distinguished visitors to Canada; Australian Trade Delegation, $763.09; Rt. Hon. D. Lloyd George, $913; President Harding of the United States, $5,082.21; Hon. Chas. E. Hughes, Secretary of State of the United States, $1,278.85; Rt. Hon. W. F. Massey, Premier of New Zealand, $1.076.15; Premiers of New South Wales and Victoria, $501.76; Hon. E. J. Theodore, Premier of Queensland, Australia and party, $682.15; Hon. W. R. Warren, Premier of Newfoundland and party, $6,255..	$10,359 76
Cadillac car for Prime Minister, $7,150; less allowance for old car, $300..	6,850

There is a story in connection with this car. Going back to the second-hand Cadillac car purchased by Sir Robert Borden in Washington, I think if you follow it up, it is the old car that they traded in for an allowance of $300 on this $7,000 car. That seems to be very poor business. We are all business men in this House, and I do not think any hon. member here would undertake to bring over a $1,900 car, pay duty and freight on it, and then trade it in for $300 on a new one. A lack of business is shown in all these departments and even in that of the Prime Minister himself.

Mr. JACOBS: How long was that car in use?

Mr. LEADER: Less than two years, I would say—between the time of the delegation at Washington and the time the government was defeated. The hon. member knows himself the time that intervened between those two dates.

What I am about to refer to now is rather of a personal nature. I regret that very much, but I think I have charity for all and certainly I have malice towards none. I intend, however, to use the motto used by the Hon. Alexander Mackenzie, and that is "to

seek no man's favour and fear no man's frown." I think too much public money is being paid to able-bodied men in pensions. Last year I think I brought before the House the fact that we have thirty-eight judges drawing pensions, many of whom are still able-bodied and quite capable of work. Some of them are living in a foreign country and the taxpayers have to go down in their pockets and pay pensions to these retired judges. I think the annual payroll to these retired judges is in the neighbourhood of $200,000. I have before me a newspaper clipping which expresses certain views in regard to the matter in better language and more concisely than I perhaps could, and I intend to take the liberty of reading it to the House. This was clipped from a paper printed in Toronto called the Orange Sentinel some time last fall. The item that I am going to quote is entitled "A Scandalous Abuse." It reads:

> When a man can retire from the public service with a superannuation allowance of six or seven thousand dollars a year, and then engage in other activities that bring him anywhere from four to ten thousand dollars a year additional, it must be admitted there is something wrong with the act.
>
> The principle underlying superannuation must surely be to provide for old servants of the country when they become unable to carry on their work. To shield an old public servant from poverty in his last years is a duty the state owes him. He, on the other hand, owes a duty to the state to perform his official duties as long as he can do so efficiently. It should not be possible for a man like General Fiset to retire from the service at fifty years of age with a pension of $6,000 a year. He is physically fit to continue as Deputy Minister of Defence for ten, or perhaps twenty, years yet. But he becomes a six-thousand-dollar-a-year-burden on the country, and then takes a place in the House of Commons, from which he will draw four thousand dollars a year more. If he is vigorous enough to run for parliament, and to bear the strain of a five months' session, he is strong enough to retain his place as deputy minister. It is nothing short of an outrage that he should be permitted to draw a double income from the taxpayers.

Sir EUGENE FISET: Will the hon. gentleman permit me? He should inquire about the real facts of the case instead of reading extracts from papers that, not only he is not sure of, but contain absolutely blunt untruths.

Mr. LEADER: If I am reading anything that is untrue, I am very sorry, but I do not accept the responsibility.

Sir EUGENE FISET: Then you should not mention it.

Mr. LEADER: It was given in good faith and if the hon. gentleman will contain himself for a few minutes he will have an opportunity to speak when I am through.

Mr. POULIOT: Do you believe all that is written in the Orange Sentinel?

Mr. LEADER: If the hon. member is vigorous enough to bear the strain of a five-months' session, I say that he is strong enough to take his place as deputy minister and he should not be permitted to draw a double income at the expense of the taxpayers.

Mr. MACDONALD (Pictou): Let me assure the hon. gentleman that the hon. member for Rimouski (Sir Eugene Fiset) at the time of his retirement was pronounced by the best medical authorities of Canada to be incapable any longer of holding the position he then filled, and this by reason of the severe illness he had gone through. It is fortunate for Canada that Providence has spared him and enabled him to come through. The conditions surrounding his retirement were vouched for by the best medical authorities of the country, and Canada will be the better for his recovery.

Mr. LEADER: That may be all true, but on the ground of economy I still take the stand that an able-bodied man should not be drawing a pension when he is able to bear the strain of a five-months' session. At any rate legislation should be passed to protect the taxpayers of the country from such an imposition. I intended reading a little further from this article.

Mr. MACDONALD (Pictou): What is the hon. member reading from?

Mr. LEADER: I am reading from the Orange Sentinel.

Mr. MACDONALD (Pictou): Does the hon. gentleman think that the Orange Sentinel's views should dominate this country?

Mr. LEADER: I do not think that the Orange Sentinel should dominate the country, but I think that its views have as much right to be stated here as have the opinions of any other newspaper published in the country. And let me tell the hon. gentleman that I am no more an admirer of the Orange Sentinel than of any other sectarian newspaper in Canada.

Mr. HEALY: Will the hon. gentleman permit me a question?

Mr. LEADER: We are not getting through with the debate.

Mr. HEALY: This is the only question I am asking. Does the hon. gentleman suggest that retired civil servants should be killed off in order to save the country money?

Mr. LEADER: I would hesitate to kill anyone. I was going on to quote the following:

General Fiset is not the first pensioner to double his income in that way. Hon. Charles Doherty, who was Minister of Justice in the cabinet of Sir Robert Borden, drew a judge's pension of $7,000 a year besides a cabinet minister's salary of $10,000, and sessional indemnity of $4,000. He was supposed to be the fountain head of justice, but anybody who can see the elements of justice in that must have second sight.

As a matter of fact, the Hon. Mr. Doherty's pension was $6,666.66. Now I have given figures to show our extravagance in public expenditures and I intend to offer some suggestions in the way of retrenchment. I introduced a resolution on the floor of the House two years ago for the purpose of reducing our sessional indemnity, and I did so not because I thought it was too much but because I considered that if any lead in economy was to be given the country, and if we were sincere in our advocacy of retrenchment, it was our duty to set the example. Hon. members know what happened to that resolution. Again, last year at the proper time, when the Prime Minister (Mr. Mackenzie King) himself was introducing the bill in regard to redistribution, I took occasion to suggest that it was then an opportune moment to consider the question of reducing the representation in this House; I suggested that the membership be reduced one-third. But the Prime Minister did not take kindly to that suggestion. I also offered the further suggestion that the cabinet representation be cut down.

3 a.m.

Mr. MACDONALD (Pictou): Did not the hon. member know when he made that suggestion with regard to a reduction in the representation that it would require an amendment of the British North America Act by the Imperial parliament.

Mr. LEADER: I am perfectly aware of that. But is that act iron-clad? When this country wanted to retain the representation of Prince Edward Island at its present figure there was no trouble about amending the British North America Act.

Mr. MACDONALD (Pictou): Why did you not move the resolution in the proper way, instead of talking?

Mr. LEADER: I know that this will get under the hide of some ministers, and I intend that it should: I suggested that the number of cabinet ministers should be reduced, and I made that suggestion believing we have too many of them. I suggested that the number could be reduced to at least ten.

[Mr. Healy.]

The much-respected Minister of Railways (Mr. Graham) was not very favourably impressed with the proposal; he took me to task for daring to suggest such a thing. I have here an article written in one of the newspapers last year in which it is stated that Sir George Foster in the Senate recommended that the cabinet could be cut down to twelve members, and he states what departments could be amalgamated. I had also a clipping from an article written by the Hon. T. A. Crerar in MacLean's magazine, in which he suggested that it was reasonable to expect a reduction in the number of cabinet ministers. Both these gentlemen had served as cabinet ministers and they should know what they are talking about if I do not. Unfortunately, these men have the inclination when they have not the opportunity; and when they had the opportunity they had not the inclination. I have some figures here but I shall be considerate enough to refrain from reading them at this hour. But they go to show that the cost of our representation in proportion to population is four times greater in Canada than it is in the United States; the cost of representation in the Senate is six times greater here than it is in that country; and the cost of our cabinet ministers—and this is where the real overcrowding takes place—is twenty times greater in Canada than it is in the United States, on the basis of population.

Now, as a practical suggestion looking to economy, I think that we might abolish the office of Lieutenant Governor in each province of the Dominion. We have nine Lieutenant Governors, and in two of the provinces they are receiving salaries of $10,000 per annum, while in six other provinces the salary is $9,000, and in Prince Edward Island $7.000. This makes a total of $81,000 a year which we are paying out in salaries to Lieutenant Governors. I do not know what their expenses amount to, but I think they are paid by the provinces. The province of Alberta this year abolished Government House, and to show how this action was regarded by the Lieutenant Governor himself, I may say that he confessed that he was glad of it inasmuch as it would save him $20,000 a year in expenses for entertainments. I think we might very well abolish the office of Lieutenant Governor or at any rate provide by legislation that the salaries of these officers be paid by the provinces; that would bring about the same end.

I shall now touch upon a delicate subject, and as a prefatory remark I will tell the House that I am as loyal as any man here. My father was born in England and I am of Eng-

lish stock; so that no man can impute to me any sentiments of disloyalty. What I am about to say is by no means a reflection on the present Governor General. His Excellency had already won our admiration and respect by his gallantry as commander of the troops at Vimy Ridge; and he has added to that our confidence in him as a representative of our Sovereign. But I want to give some figures to the House and to the country with reference to the expenses in connection with this institution. I do not think that I have them all, but I have sufficient to serve my present purpose. It has been declared by eminent writers, both men and women who are supposed to know what they are talking about, that Rideau Hall has cost the people of Canada some $5,000,000. Now, this is only guess work on my part; it may be near the truth or it may be over or under estimated. However, the figures that I shall now give are authentic, having been gleaned from the pages of the Auditor General's report. In 1924 I find that the following were some of the expenses in connection with the residence of the Governor General, Rideau Hall, and grounds:

Governor General's office	$149,271
Alterations	13,248
Improvements	60,000
Fuel and light	19,000
Telephone service	1,825
Water	2,792
Governor General's cars	42,659
	288,795
Interest on Rideau Hall at 5 per cent	250,000
Total	$538,795

I think the time has come when serious attention should be given to a reduction in the expenses in connection with that institution. I do not know whether or not it would be wise to do away altogether with the office of Governor General; I do not think it would be.

Mr. MACDONALD (Pictou): Would my hon. friend suggest what would be substituted for it?

Mr. LEADER: I would substitute the Chief Justice of the Supreme Court of Canada, who now is the Governor Generals' deputy.

Mr. MACDONALD (Pictou): Has the hon. member thought very much about that?

Mr. LEADER: Perhaps I have given it more thought than the hon. minister has, or he would not treat it so frivolously.

Mr. MACDONALD (Pictou): Does my hon. friend suggest that the Chief Justice of the Supreme Court of Canada should be Governor General and that he should perform the duties of both offices without any additional salary?

Mr. LEADER: Perhaps not, but if you gave him $100,000 we would still be $400,000 to the good.

Mr. MACDONALD (Pictou): Who would represent His Majesty here?

Mr. LEADER: He would represent His Majesty.

Mr. MACDONALD (Pictou): Well, you had better arrange with the Imperial parliament about all these wonderful reforms of yours.

Mr. LEADER: When it is found convenient, the arrangement can be made all right. So far no attempt has ever been made to make it.

Mr. MACDONALD (Pictou): You had better start in and you will find out what it will lead you to.

Mr. LEADER: I have been interrupted a good deal, Mr. Speaker and that accounts for my taking longer than I would otherwise have taken. I have about completed my remarks, but I have not yet explained my position in regard to the vote that is to be taken to-day. Hon. members will have guessed that I intend to vote against the budget. The amendment of my hon. friends to my right holds for me no attraction.

I want to take just four or five minutes now to discuss a little article that I find in a paper called The Western Record, printed in Winnipeg. It says:

> We have been asked if The Western Record is a Conservative organ? Rather a stupid question for anyone to ask if they have carefully read it. It is a Conservative organ and has clearly enunciated the policies of both Dominion and provincial Conservative parties.

The article makes an attack upon the Progressives here at Ottawa. I am going to read one or two little samples of the material we find in this article. Following up a statement it makes as to our holding the balance of power at Ottawa, the article says:

> Unfortunately this marvellous group, with the nomenclature "Progressives" comprised such a bunch of hayseeds that they were unable to make use of their power, and they furthermore had not the gumption to realize that when a political party enunciates principles and fails to stand by them it destroys political morality. Not only that but puts the cog in the wheels of government machinery which naturally impedes national progress.

Then it goes on to say:

> It was not long before this inflated group of windjammers began to disintegrate. The big suave Crerar found it impossible to lead his sheep.

Then it goes on to say that now the Progressives are being led by the "double-pronged Forke." But the paragraph to which I wish particularly to call the attention of the House is one which was brought up in the House here the other day by the whip of the Progressive party, (Mr. Johnston.) The statements contained in it were most emphatically denied by him, and he deplored the fact that any newspaper of any standing in this country should dare to print such an article. I find that this Conservative paper printed in Winnipeg carried the same article, and I will read it so that the record may be available for future reference. It says:

> Ottawa has been watching with amusement the conduct of this Progressive group. As everybody knows, the wheat market has been in a highly nervous condition, and at a recent important division a preliminary count by the whips showed 30 Progressives missing, their presence was needed to save the government. Where do you suppose those representatives of the farmers of the west were? Down town at brokerage offices watching the rise and fall of wheat prices on the blackboards, in which they were all interested. Autos were hastily commandeered and a little later a bunch of bareheaded members were located and their mental deliberations disturbed by being dragged back to the House, and the government was saved by a narrow margin.

Now, we are called "hayseeds," Mr. Speaker, "wind-jammers" and betrayers of public trust. I wonder if the Conservative members in the House here at Ottawa endorse what I have read in this Conservative paper printed in Winnipeg? I am glad to hear the chief whip of the Conservative party say that he repudiates the article. I wish to add, Mr. Speaker, that such scurrilous articles are a disgrace to our newspapers and an insult to the intelligence of our people, they are sure of the condemnation they deserve. If the remnants of the once great party persist in using such tactics the sooner the remnants are disposed of the better it will be for our citizenship. If this kind of dope is what the Grand Old Party relies on to win the next election, they had better cash in and give up the ghost.

Mr. W. A. BOYS (South Simcoe): May I crave the indulgence of the House, Mr. Speaker, for five or six minutes? I did not intend to take part in the discussion, but in justice to the party to which I belong, and also to my hon. friends of the Progressive party, I feel that I should try to put right a very extravagant statement made by the Prime Minister (Mr. Mackenzie King) in his speech to-day. He accused this party of obstruction, of taking up a tremendous amount of time, and he accused with us my hon. friends of the Progressive party. I think it is only fair that the House and the country should know the length of time consumed in the debates upon the three matters to which he referred.

Last week I gave to the press a statement which I believe to be accurate regarding the time consumed in the debate on the budget. I have brought these figures down to date. I do not blame the government at all for taking up the time they did; I realize that they are entitled, if they want to, to put up speaker for speaker. In other words, they have one speaker while we of the opposition, both groups, have one speaker; and I concede to them that right. But I think we may properly object to any intimation on the part of the Prime Minister that we have taken more than the share of the time which belongs to us. Up till yesterday—I cannot make the calculation for to-day because one cannot tell just how many columns of Hansard will be used by that portion of the debate which has not yet been published—the Liberals in the present debate have taken up 843 columns of Hansard. The Conservatives have taken up 634, and the Progressives and Independent 558. The Liberals have put up 46 speakers, the Conservatives 26, the Progressives 26 and the Independents 7. In connection with the ocean shipping rates discussion, about which the Prime Minister had so much to say, and in connection with which he made the most extravagant statements, statements which will not be borne out for one moment by an analysis of Hansard, we find that the debate started on March 3, and that it continued on the 10th, 12th, 13th, 17th, 19th and 20th. May I say in this connection that the Prime Minister accused the party to which I belong of consuming most of the time, and with us he coupled my friends of the Progressive party. What are the facts? The Liberals took 279 columns of Hansard, the Conservatives 228, and the Progressives, including the Independents, 126. But how the right hon. the Prime Minister could venture a criticism of any group in this House in view of his own action in that debate is beyond my comprehension.

Mr. LOVETT: In proportion to your numbers you took more time by far than the Liberals.

Mr. CASGRAIN: Hear, hear.

Mr. BOYS: I am glad that affords comfort to my hon. friend. I do not know how I can do it any more fairly than I am doing it. I am quoting to the House the actual columns of Hansard, and if there is any other way in which I can do it better, I would be glad to do it. It is true that some speakers speak

faster than others and do not consume as much time, but one cannot calculate that. I am taking the columns of Hansard, and I have given you the totals.

And now let us look at just one other feature of that same debate, and if the Prime Minister pauses to consider this, one wonders how he could ever presume to accuse this party or the Progressives of consuming unnecessary time. He took himself 79 columns of Hansard, one-third of the total time of the Conservatives who spoke on this side of the House in that debate, 16 in number. He took 79 columns himself in that debate as against 126 by the Progressives or over half as much as all the Progressives that spoke in that debate, and yet he stands up here and attempts to criticize us of the Conservative faith and my Progressive friends of obstructing the business of the House.

He then dealt with one other feature, that is the canteen funds debate. Now I want to say to the House that my figures in this connection may not be accurate. I have honestly tried to find out what the truth is. It is difficult to go through it and be sure of your figures. I did it in a hurry, and I may be wrong, but so far as I could find from a search of Hansard to-night that matter was dealt with on one day, on March 5th, and the total time occupied—

Some hon. MEMBERS: No. More than that.

Mr. MURDOCK: On three days.

Mr. BOYS: My hon. friends can correct me if I am wrong. I have tried to be fair, and if my friends now can point to another day, I will admit at once I have overlooked it, but I could not find it. On March 5th I find that out of the whole day the only time consumed in connection with the canteen funds was 38 columns of Hansard, and I leave it to the judgment of this House whether the remarks of the Prime Minister, who tried to pass on to us and to my Progressive friends the thought of obstructing is justified in view of the facts I have stated. There has been no justification. The Peterson contract is an important matter, and warranted all the time that was taken upon it, and I venture to say that when it comes back, if it ever does, the members of all parties in this House will want to spend some time discussing it. My own view is that it will never come back from the committee stage.

I think it is only right to put this matter in its fair and true light. I think I have correctly calculated the time that was taken by the various speakers in this House, and if my figures are correct, I think hon. gentlemen even on the opposite side of the House will agree that the Prime Minister could not have made a calculation, and that he spoke without thought, without looking the matter up, and without justification.

Mr. D. M. KENNEDY (West Edmonton): Mr. Speaker, I know this is not a very good hour in the morning at which to start a speech, but possibly hon. members will not suffer any more than I have in listening to what has gone before. I can assure hon. members of this, however, that what I have to say I shall say in as few words as possible, but on the other hand I intend to say it. I have not previously taken any part in a budget debate, and I was anxious from the first to take part in this one.

Since the commencement of this debate we have heard a great many attempts made in this House to classify the budget. There are those who think it is a protectionist budget; there are those who think it is getting somewhere near a free trade budget; and there are those who think it is a moderate budget. So far as the members on the government side of the House are concerned, we have had almost free trade speeches in favour of the budget; we have also had members who stand out distinctly for protection apparently give the budget their blessing. The hon. member for Chambly and Vercheres (Mr. Archambault) the other night in his speech said that this budget broke the back of the Conservative opposition. He said that the Tories were out apparently trying to scare the people by saying that there was a general reduction in the tariff coming, and that this budget had broken the back of that propaganda in the country. I believe, Mr. Speaker, that for the present at least the budget has done that very thing. But it has gone further than that in my judgment. It is a repudiation of the Liberal platform of 1919, and of the professions made by the vast majority of the Liberals before the people of Canada in 1921.

The Liberal party met in Ottawa in 1919 and drew up a platform. Now there are those who say that a platform is all very well for the time at which it is drawn up, but that conditions change. Well, this platform was not drawn up by a party that had had no experience in this sort of thing, because the party had been in existence a great many years and had previous experience, and in its ranks at that day and at that convention were men who had been in the Liberal party in 1893 when they drew up that platform, which the country

were assured meant that the Liberal party, once they came into power, would so fix the tariff for revenue purposes that not a cent would be taken from the pockets of the people that did not go into the treasury of the Dominion of Canada. I wish to read the tariff part of the Liberal platform of 1919, so that the House and the country may know what was definitely promised in this regard. The reason I want to do so is, that there has been a tendency throughout Canada to justify any reductions that have been made in the tariff on the ground of concessions to the Progressives. Now I do not believe that the Liberal party or any other party has the right to make concessions to any party for support. Wherever reductions are made in the tariff they ought to be made on the ground that they are believed to be the best thing for the Dominion of Canada. But I wish to demonstrate this morning that even though there have been some reductions made, those reductions do not come anywhere near meeting the definite pledges made by the Liberal party in 1919, and again in 1921 to the people of this country. The resolution on the tariff at the Liberal convention of 1919 reads as follows:

That the best interests of Canada demand that substantial reductions of the burdens of Customs taxation be made with a view to the accomplishing of two purposes of the highest importance: First, diminishing the very high cost of living which presses so severely on the masses of the people; second, reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion, the vigorous development of which is essential to the progress and prosperity of our country.

If the platform had stopped there there might not be much difficulty, but it becomes very specific from that point to the end:

That, to these ends, wheat, wheat flour and all products of wheat; the principal articles of food; farm implements and machinery: farm tractors, mining, flour and saw-mill machinery and repair parts thereof; rough and partly dressed lumber; gasoline, illuminating, lubricating and fuel oils; nets, net-twines and fishermen's equipments; cement and fertilizers, should be free from customs duties, as well as the raw material entering into the same.

That a revision downwards of the tariff should be made whereby substantial reductions should be effected in the duties on wearing apparel and footwear, and on other articles of general consumption (other than luxuries), as well as on the raw material entering into the manufacture of the same.

That the British preference be increased to 50 per cent of the general tariff.

And the Liberal party hereby pledges itself to implement by legislation the provision of this resolution when returned to power.

Now, it might have been argued, indeed it was argued in the first session after the general election of 1921, that the Liberal party should not be expected to go the full length of their platform in their very first budget; but this is the fourth budget brought down by this government, and we have not made much more than a respectable beginning, if it could be called that, towards the accomplishment of those definite promises made to the people of Canada—the pledges that the party promised to implement when returned to power. I have taken those definite promises made to the people. I have examined the various items as they stood in the tariff in 1921, and where they stand to-day, and we will take them in the order in which they appear in this platform:

—	British Preference Tariff	Intermediate Tariff	General Tariff
Wheat, when imported from a country which imposes the customs duty on wheat grown in Canada, per bushel.....	8 cents	12 cents	12 cents

There has been no reduction whatever in this item. The tariff stands as it did in 1921:

Wheat flour and semolina.....	30 cents	50 cents	50 cents

The duties stand at the same figure to-day. "The principal articles of food."

This would be a very long list, and so I have taken out just a few. We will take, for example, sugar which is one of the necessities of life.

Sugar, 1921.....	$1 52	$1 93	$1 93
Sugar, 1925.....	0 83	1 50	1 50
Apples, 1921.....	0 60	0 90	0 90
Apples, 1925.....	0 60	0 90	0 90
Raisins and dry currants.....	½ cent	⅔ cent	⅔ cent

On raisins and dry currants there is a possibility that the rates will be 3 cents under the British preference, 3 cents under the intermediate, and 3 cents under the general tariff if our treaty with Australia goes through. On tea there has been no change whatever. On coffee there has been no change. On tomatoes and other vegetables, which are necessities of life, the tariff stands practically to-day as it stood in 1921. Farm implements. These were going on the free list. Item 445 of the tariff reads:

Mowing machines, harvesters, self-binding or without binder, binding attachments, reapers, and complete parts thereof, not including shafting or malleable iron castings, 1921	12½ p.c.	12½ p.c.	12½ p.c.
Mowing machines, harvesters, self-binding or without binder, binding attachments, reapers, and complete parts thereof, not including shafting or malleable iron castings, 1925	Free	6 p.c.	6 p.c.
Cultivators, 1921	10 p.c.	15 p.c.	15 p.c.
Cultivators, 1925	Free	7½ p.c.	7½ p.c.

Traction ditching machines were free under all tariffs in 1921. To-day they are also free.

1921 ploughs and complete parts thereof	12½ p.c.	17½ p.c.	17½ p.c.
1925 ploughs and complete parts thereof	5 p.c.	10 p.c.	10 p.c.
Windmills and complete parts thereof, 1921	12½ p.c.	17½ p.c.	17½ p.c.
Windmills and complete parts thereof, 1925	12½ p.c.	17½ p.c.	17½ p.c.

I might point out that windmills affect particularly the cattle industry. It is one branch of the agricultural industry that has been hit hardest within the last two years. In portable engines there has been no change. The figures are 12½ per cent, 17½ per cent, 17½ per cent.

—	British Preferential Tariff	Intermediate Tariff	General Tariff
Hayloaders, potato diggers, 1921	12½ p.c.	20 p.c.	20 p.c.
Hayloaders, potato diggers, 1925	5 p.c.	10 p.c.	10 p.c.

Mine and quarry machinery is free.

Iron and steel pipe, 1921	5 p.c.	7½ p.c.	10 p.c.
Iron and steel pipe, 1925	5 p.c.	7½ p.c.	10 p.c.
Sawmill machinery and repairs, 1925	10 p.c.	15 p.c.	20 p.c.

Planks and boards were free under the tariff of 1921 and they are free today. There was, of course, 7½ per cent war tax. Planks, boards and other lumber or wood, sawn, split or cut, and dressed on one side only, and so on, were free in 1921 under the three tariffs and they are free to-day.

Gasoline under ·725 specific gravity at 60 degrees temperature, 1921	Free	Free	Free
Gasoline under ·725 specific gravity at 60 degrees temperature, 1925	Free	Free	Free
Gasoline ·725 specific gravity but not heavier than ·750 specific gravity at 60 degrees tenperature, per gallon, 1921	½ cent	¾ cent	1 cent

That is the tariff to-day. There has been no increase there. Crude petroleum in its natural state. It was free in 1921 and it is still free.

Illuminating oils, composed wholly or in part of the products of petroleum, 1921	15 p.c.	17½ p.c.	20 p.c.

The percentage is the same to-day under all three tariffs.

Lubricating oils, 1921	1½ cents	2¼ cents	2½ cents

The tariff is the same to-day. In the case of oils—petroleum—the rates in 1921 were ½ cent in each case. The same rates apply to-day, ½ cent per gallon.

I wish to call the attention of the House to the tremendously high duties in connection with clothing, and clothing of course is one of the necessaries of life especially in this country. I take item No. 563 of the tariff, women's and children's dress goods. This of course was not to be made free according to the Liberal platform, but substantial reductions were promised. This is how the item stood in 1921 and how it stands to-day:

Tariff Items.	—	British Preferential Tariff.	Intermediate Tariff.	General Tariff.
	Women's and children's dress goods, 1921	15 p.c.	21½ p.c.	25 p.c.
	Women's and children's dress goods, 1925	15 p.c.	22½ p.c.	25 p.c.
565	Blankets composed wholly of pure wool	22½ p.c.	30 p.c.	35 p.c.
		22½ p.c.	30 p.c.	35 p.c.
	1925 France and Italy	.....	30 p.c.	less 10 p.c.
568	Undershirts, drawers and knitted goods, n.o.p.	22½ p.c.	30 p.c.	35 p.c.
		20 p.c.	30 p.c.	35 p.c.
567	Fabrics, manufacturers, wearing apparel and ready-made clothing, composed wholly or in part of wool, etc.	30 p.c.	35 p.c.	35 p.c.
		27½ p.c.	35 p.c.	35 p.c.
	1921 France, Belgium and Netherlands	.....	35 p.c.	
	1925 France and Italy	.....	35 p.c.	less 15 p.c.
568a	Socks and stockings of all kinds	25 p.c.	32½ p.c.	35 p.c.
		25 p.c.	32½ p.c.	35 p.c.
	France and Italy	.....	32½ p.c.	less 10 p.c.
611	Boots and shoes, pegged or wire fastened, with unstitched soles close edged	17½ p.c.	22½ p.c.	25 p.c.
		15 p.c.	22½ p.c.	25 p.c.
61	Boots, shoes, slippers and insoles of any material, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
		17½ p.c.	27½ p.c.	30 p.c.
	1921 France, Belgium and Netherlands	.....	27½	

Now the other clause states:

That the British preference be increased to fifty per cent of the general tariff.

I am not going into any specific cases because that has not been done, but I want to say that there is not, as far as I can see, any reasonable excuse for not carrying out those specific and definite pledges to the people of Canada, for the simple reason that the gentlemen drawing up this platform had experience previously both in drawing up platforms and in the government of the country, and understood the financial condition of Canada at the time the platform was drawn up, and if anybody challenges me this morning to provide something constructive I would say that the constructive suggestion I should like to offer to this government or to any other government is that when a government makes definite pledges to the people of Canada they should keep those pledges. There has been ever since 1921 and ever since the campaign a line of argument taken by various members of the government, and members supporting the government to the effect that the Liberal party is the great central party, the moderation party, a party between the two extremes, the high protectionists and the free traders. Well, Mr. Speaker, that may be, but that point of moderation has been shifting considerably. I remember back in 1921 this position was taken by the Prime Minister in his manifesto to the people of Canada. It was taken by the Prime Minister in his speech on the discussion of the budget in 1922. It was taken also by the hon. member for Chambly and Verchères (Mr. Archambault) the other night, and taken by the Minister of Justice (Mr. Lapointe) yesterday; but I wish to say that it is not a justification to say that because the Liberal party stands midway, or claims to stand midway between the high protectionists and the free traders, or the extremely low tariff party, they are necessarily right. They are not right according to the standards set up by themselves, and the definite promises they made to the people of Canada, and there ought at least to be some substantial reason given to the people of Canada as to why these pledges have not been carried out and why the policy has been changed. I wish to say that I believe that the last election should mean something to the government and to the party supporting the government. In this campaign book, the Speaker's Handbook, we have not only the Liberal party platform, but we have the Farmers' platform, and a little further on we

have an article devoted to reasons why the Farmers and the Liberals ought to get together, and having appealed to the people of Canada on the basis of this platform, we have about 117 Liberal members, of course a few of these refused to recognize the platform, but still the vast majority of them stood apparently on the platform, and we have about sixty or sixty-five members in this corner of the House elected on a platform, going not only in the direction of the Liberal platform but a little further, and therefore I claim that there was a mandate given to the government and to the House of Commons to fulfil at least all the pledges of the platform of 1919. I think it would not be unreasonable to say that it should be done in the first session, and it is certainly not unreasonable that after four sessions it ought to be carried out in full. The argument has been advanced that the country needs revenue. Well this statement was met by an argument in this campaign handbook; both the protectionist and the revenue arguments are treated here. I am not going to take time to read from it at any great length. I find in the Handbook an article headed, "Women and Politics," and at page 4, the following:

There are two ways which the country has of raising the taxes necessary to pay its debts. One is by direct taxation which means that every man and woman must pay from his or her income a certain sum annually. If an individual's income is over a certain amount, that individual will easily understand how much he will have to pay by way of income tax. Among working people this income may not be sufficient in amount to be directly taxed, and therefore it may appear to such individuals (who make up, after all, the bulk of the nation) that they are not paying taxes at all. This is a mistaken idea—Every man and every woman pays taxes in some form.

Now regarding the tariff this book says:

Let us suppose therefore that in the United States there is a manufacturer of shoes who can make ordinary wearing boots for $3 a pair. Suppose the cost of selling and transportation of these boots from the United States factory to the consumer in Canada amounts to $2 a pair,' a duty on these goods coming into the country is, say 50 cents per pair, they can be sold in Canada for $5.50 in all. The 50 cents duty goes into the government treasury for the payment of the country's obligations. It is collected at the boundary as a customs duty. The real duty is much higher.

If, in Canada, there is a manufacturer of shoes who can also make the same kind of wearing boots at $3 a pair and if the selling and transportation from the Canadian factory to the Canadian buyer costs also, say, $2 a pair, making in all a cost of $5, yet, nevertheless, he sells the boots in Canada for the same price as does the American producer. He gets $5.50 for the boots, but the difference of 50 cents he puts in his own pocket. This difference is the amount of protection that the home manufacturer gets behind the tariff wall, which shelters him against American competition.

Mr. GARLAND (Bow River): What is the hon. member reading from?

Mr. KENNEDY (Edmonton): The Speaker's Handbook.

Mr. GARLAND (Bow River): Of what?

Mr. KENNEDY (Edmonton): Of the Liberal party of 1921. Then I refer to page 6, of the same pamphlet, "Mr. King against High Protection". This deals with the question of protection and the repudiation of it by the Prime Minister, and also the question of revenue:

Mr. King thinks first of the people and second of the industry. All the people are greater than a few manufacturers. Mr. King stands for all the people. Mr. King is against high protection. In the example of the pair of boots just referred to, Mr. Meighen would stand for the manufacturer getting fifty cents for himself on each pair of boots. That is the tariff should be fifty cents per pair. But Mr. King would say: No—twenty cents a pair is enough. Let the manufacturer have this amount to aid his industry, but let the other thirty cents per pair be allowed to the woman who buys the boots making the price to her $5.20 instead of $5.50. All over the country the difference in these policies on every article to wear, to eat, for the husband, the wife, the children, means millions saved in the homes and incomes of the people, and the manufacturers will still have a fair profit as well.

It means besides, that there is still a tariff on the American boots of twenty cents per pair instead of fifty cents per pair. The twenty cents per pair as duty collected against foreign goods will still go to the government in customs duties. This explains the difference between a tariff for protection and a tariff for revenue.

This is a little different from the 1893 explanation, of course.

But, some one argues, that on such a reduction of duties the customs revenue will fall and the government will fail to get money with which to carry on. The answer is reasonable, lowering of tariff duties means a great increase in trading, a great increase in buying by the consumer because he can get so much more for his money and consequently—

And the rest is in heavy black type.

—a sure increase in government revenue.

But they go further than that. This is the plank resolution on "Financial condition and taxation," and I am going to read just a small part of it. I leave out the various "whereases."

Be it and it is hereby resolved:

1. That the serious nature of the country's financial situation calls for the profoundest consideration of all patriotic citizens—

Mr. SPENCER: What is the hon. member reading from?

Mr. KENNEDY (Edmonton): The National Liberal Convention of August 5, 6 and 7, 1919, the official report:

—and the exercise of the severest economy by the government;

2. That increase of revenue must be sought from an equitable and effective imposition and collection

of graduated taxes, on business profits and income, applicable to all incomes above reasonable exemptions;

3. Taxes on luxuries.

I think we have there an official declaration by the Liberal party that they are ready to go on and give the country a large reduction in customs tariffs, to put a certain number of articles on the free list, and they are certain that the result of that will be an increase of revenue. In any case they know where to go for increases in revenue in case the reduction in the tariff duties should not provide the same. In view of that fact, I have a very strong feeling that they have not kept their solemn pledges made to the Dominion of Canada. I believe it is the duty of a government to do that, not by way of concessions to Progressives or Conservatives or anybody else; but because they have made those pledges, they ought to stand by them or at least to test them out. It is because I believe no serious attempt to go in that direction has been made that I have voted against the various budgets. I did vote for the budget last year, although I voted for the amendment as well.

I wish to say just a little about the amendment. I cannot vote for the amendment. The amendment calls for a reduction in the sales tax. I would like to see a reduction in the sales tax, but I would like still more to see a reduction in the tariff. I believe the sales tax is objectionable in many ways, but I believe the tariff is still more so. It has been argued in this House—and I believe it is nearly correct—that the sales tax pyramids nearly 100 per cent. When customs duty is paid at the boundary on goods coming in the goods will go through very nearly the same selling process as goods on which the sales tax is paid, and we must have pyramiding to the same extent. We must have an equal pyramiding on goods that are manufactured in Canada and on which the manufacturer charges the tariff or a portion of it for his own benefit. Therefore, because at the present time we are apparently being held up on tariff reductions on account of the need of revenue or for some other reasons, I am not in favour of further reductions in the sales tax. I want first reductions in the tariff duties which, in my judgment, are about two or three times as objectionable as the sales tax.

We have an increase in the tariff this year as a result of the government's action with regard to slack coal. We have a small reduction from 53 to 50 cents a ton on certain kinds of coal, and then we have a general increase in the duty on slack coal. I suppose this increase was given as a result of representations made to the government by delegates from Nova Scotia and, I was told also, by someone from Alberta, I believe it was the Premier of Alberta. Possibly the difficult situation in Nova Scotia with regard to the coal-mining industry has been the chief lever in this regard, but I have not seen anything to convince me that this duty on coal is going to relieve conditions there. I believe conditions in Nova Scotia require a thorough investigation, and when the Minister of Labour (Mr. Murdock) and other members of the government argue that it was hardly the right thing for the government to go in and investigate conditions there, I could hardly help thinking they were not using their best judgment. It is a strange, palsied attitude to take—no, we cannot go in and do anything because that is the duty of the government of Nova Scotia. They are the proper authorities, but we come later with a tariff tax on the rest of the people of Canada. Surely if conditions there are as bad as we have heard they are—and I think the convincing arguments have come from those who have been telling of the difficult situation that the miners are labouring and living under—there was justification and urgent need for the government, before doing anything in this regard, to make absolutely sure of their ground and to know where they were travelling. I have been informed very definitely that one of the troubles in Nova Scotia is an increase in overhead through the opening of too many mines owing to the high price of coal during the war, and I suppose the same thing is true with regard to Alberta. All industries in Canada as a result of war conditions had a tremendous increase of overhead and a great many mines like a great many farms were brought under operation which under normal conditions could not exist; and the government owe a duty to the people of Canada, whom they are taxing for the benefit of certain parties in the west or in the east, to make absolutely sure of their ground. I do not think that has been done. I am told that in the province of Alberta one of the difficulties is that a great many mines have been opened up that should have been left untouched. But in any case there is a commission there investigating the whole question, and this action on the part of this government is premature. And in Nova Scotia we have no guarantee that one cent of the duty will ever reach a miner who may be in distress. It seems to me that

there are men at the head of the British Empire Steel who are not worthy to develop industries in this Dominion. What about our friend Mr. Wolvin? We remember some of his operations in connection with the combine on the Great Lakes, and he was referred to somewhat severely by the now Solicitor General (Mr. McMurray) in 1923. This is what the Solicitor General then had to say about him:

> This combine that had the audacity to charge these terrific rates and to impose an illegal and altogether improper insurance on the shipper had the temerity to intimidate the people of Winnipeg. There is a series of interesting telegrams that passed between the members of this combine. They appear at page 19 of the report and I think that in all fairness to those who may come after us they should be placed on Hansard so that there may be no misapprenhension if the subject ever comes up again for discussion. These telegrams display the same intimidating attitude to those who had the courage to appeal to this government for protection against the injustice and the predatory measures practised against them. When one reads and carefully studies this report, when one ponders the evidence, one is appalled at the boldness of these men who secured control of the only shipping channel for our western grain. The name "Wolvin" is significant, and it is difficult for anyone to speak dispassionately and calmly as he realizes that significance in its fullest extent. The nearest synonym that I can suggest for it, if it has any English equivalent, would be the word "wolverine". The wolverine is described as a "voracious, sagacious and ferocious animal", and apparently these men exhibited all these qualities, because they were certainly voracious, they were undoubtedly sagacious, and to the shippers of Western Canada they were beyond any question "ferocious". Hon. members will realize the audacity of this whole matter when they read the telegrams that were exchanged, as disclosed in this report.

I think that in view of the past record of Mr. Wolvin it is not surprising that we hear the reports we do of him and his officers, or that his officers should say that they are willing to "do their worst" and that the men "cannot stand the gaff". It looks as though they were running true to form. It seems to me that these allied industries, in which this Dominion has placed millions of dollars, I believe something like $19,000,000, by way of bonuses, should get no help directly or indirectly until there is a cleanup and the whole business is put on a proper footing, either by means of Whitley councils or some method of that kind, to ensure at least a living wage to the men who are working for the corporation. There is not a millionaire's fortune in Canada or in the United States or anywhere else the saving of which could be justified by such conditions as exist in Nova Scotia. The very first thing that should be taken into consideration in connection with an industry is the question whether or not it will provide a living wage and a decent standard of living for the workmen and their families; and profits and the financial operations of men like Mr. Wolvin ought to be a decided, a far second. I think therefore, in view of the fact that the government has taken this step, that they should not be considered as having justified it by saying that the present affairs are no business of theirs; have we no right under these circumstances to tax the people of Canada unless we are able to do so with a complete knowledge of what we are doing. If on the other hand the duty is to stand I think it ought to be left in such a way as to give the greatest benefit to the greatest number and I do not think that this has been done, because with a drawback on coal coming from the United States to coking plants we shall have, so far as Alberta is concerned I understand, a worse condition than we had before. I am not an expert on the coal business but I have received that information from an expert, and possibly we shall see later on how true it is. It seems to me that if the Premier of Alberta did make representations for a duty on coal he got a little of what he wanted and a great deal of what he did not want.

4 a.m.

A suggestion was made to me a few days ago by the hon. member for Bow River (Mr. Garland) that there was a possibility of raising additional revenue by means of a graduated tax on radios. I believe that the present tax is $1 per annum on every radio, and the boy who makes a small set in town pays the same tax as the man who owns a $500 outfit. There are 100,000 radios in Canada and a graduated tax applied according to the number of tubes, one, two or three as the case might be, might be a fruitful source of revenue. If a boy with a 95-cent set or a man with a $40-set pays $1 per annum and that is considered equitable, then possibly the people who can afford the luxury of a $300-set might be able to pay something a little higher than $1.

The hon. member for Brantford (Mr. Raymond), for whom I have a great deal of respect, said the other day that the Progressives were not satisfied. He seemed to be of the opinion that these few reductions in wagons had been made for our benefit and he thought that we should support the government on that account. I cannot understand the logic of the protectionist who thinks that because he has been allowed to tax the people of Canada 10 or 15 per cent for a period of twenty or thirty years, and because that tax is reduced to 6 per cent, there has been a concession made to the man who has been paying the tax all these years. I believe

that the people of the west are clear thinking enough and vigorous enough to demand complete equity in this matter of taxation, and I trust that they will never submit quietly without protest to being taxed for the benefit of any private individual in the Dominion or elsewhere, unless it is a case of distress.

Mr. ROBICHAUD: If this reduction of taxation from 15 to 6 per cent is not a concession, what is it?

Mr. KENNEDY (Edmonton): It is still taxation of 6 per cent. It is taxation of the man who buys implements for the man who has been selling them. It is still taxation of the private individual for the benefit of the manufacturer, and you have not attained equality until neither is taxed anything for the benefit of the other. If there ever is worked out a system of protection that will protect the home market and guarantee quality and fair prices then you may get acquiescence in it, but not until then, and I do not know of any way it can be done.

Now, I am going to make a few observations with regard to the railway situation, with particular reference to a railway that I am interested in. We are told these days that we ought to ease up on railway construction simply because we have too many railways. I do not think we have too many railways, but I think we have too many in some places. My home is twenty miles from the end of steel, and I am not willing to submit to that argument, particularly when it comes from those who are living in districts where they can hear the sound of an engine's whistle practically any hour of the day or night. It is very easy for the men who live in a city where street cars and railways go past them in all directions to say, "Let us ease up on railway construction." I understand that the investigation that is being carried on by the railway heads is demonstrating that the places where the railways are losing some money at least is in the thickly populated centres through duplication of services that are not required. I wish to support the hon. members in this House who have been pleading for a consolidation of railways, and I believe that ought to be done under national control in order that we may save the people of Canada a great many millions per annum. I was rather surprised the other day when the hon. member for North Waterloo (Mr. Euler) in the course of his remarks on this subject said that the Canadian Pacific should be taken over by the government that consolidation should be effected under national control; to hear the Minister of Railways say that it could only be taken over with the consent of the bondholders. Well, if the bondholders are not willing that the property should be taken over on a fair basis to save the people of Canada $100,000,000 in transportation charges, I do not think they have a right to expect, if a scheme can be worked out, that Canada will continue to pay this $100,000,000 per annum extra in freights and railway service charges in order to allow them to carry on the particular form of organization they desire. If the $100,000,000 can be saved, and the people of Canada are convinced of that, then no government can exist that will not go ahead and try to put it through.

On October 10, 1924, the Prime Minister made the following statement in Edmonton:

> There is north of this city a vast tract of land that is crying out for development. The Peace River country is immense and among the richest in Canada . . . I pledge myself that as soon as it is humanly possible the great Peace River country will be given that means of railways that will bring to the people of that country the outlet that has been so long delayed, and will open up the country.

I believe that that undertaking was made in good faith. I find however that the Speech from the Throne uses much more guarded language; it says that in due course steps will be taken to open up the Peace river, and so on. A few days ago when I asked the Minister of Railways (Mr. Graham) regarding the matter, he said that he found that the question was a difficult one. Now, that is not progress, Mr. Speaker; it is really the opposite of progress. I hope that even though the minister has not disclosed anything definite to us yet, some progress is being made behind the scenes. I may say that I have not been asking these questions to embarrass the minister or the government, but because I represent people who are putting up a heroic struggle to do something in the development of Canada and to establish themselves under difficult conditions. They have come to that stage where it is very nearly a question of life and death with them. We have not any special delight in embarrassing anyone, but I believe the interests of the people who are carrying on that struggle are more important than the comfort of any minister or any railway executive in Canada.

We have, Mr. Speaker, a good country. We have one of the best climates in the country, or as good as any. We have land as rich as there is anywhere, I think, in Saskatchewan, Manitoba or Alberta, or, for that matter, in Ontario. We are geographically situated, potentially at least, very favour

ably. We are practically as near Vancouver as Edmonton is, but with our railway development as it has taken place we are just about twice as far from Vancouver as Edmonton is.

Now, that country was settled in 1910. Previously there was some settlement, but a big inflow of settlers took place in that year. The settlers, of course, carried on for a few years in the hope that the Canadian Northern railway would go through northwest from Edmonton to the Pacific coast. In 1912, after having gone over the Edson trial 210 miles on what the Irishmen call the "mud canal," we met Canadian Northern representatives in the village of Grande Prairie who told us that the very limit of time it would take to get the Canadian Northern through there would be three years, and they were buying options on right of way through the country then. That resulted in a great deal of settlement, but the Canadian Northern is not half way to the Peace river country yet. That country is served by the Edmonton, Dunvegan and British Columbia railway. This line leaves Edmonton and runs northwest to McLennan, 132 miles north and 150 miles west of Edmonton. It forks there, one part running into the Peace river, and then across the river and west through the settlement north of the Peace river for a distance of 23 miles. The other goes directly west through Spirit river, then south to Grande Prairie, running through the Grande Prairie district, a distance of about 25 miles. We are situated 400 miles northwest of Edmonton. In order to get to Vancouver we ought to be able to go south about 200 miles and then directly west about 500, but instead of that we have to go southeast to Edmonton about 400 miles, south to Calgary another 200, and then west 650 to Vancouver. The Grande Prairie country is about 400 miles north of the international boundary, and it embraces the Grande Prairie district about 80 miles in length, and of an average width of from 30 to 40 miles. Grande Prairie is densely settled. There were no Canadian Pacific or Hudson bay lands in that district, so that everything has been taken up; and the same is true of the district north of Peace river, where we have a territory about 70 miles in length and 15 to 20 miles in width. Then we have that other prairie in the constituency of my hon. friend from Cariboo, the Pouce Coupé district. I want to endorse what the hon. member for Cariboo (Mr. McBride) has said about the difficulties of the settlers in that district. They are still 60 miles from a railway, and some of the people in the Grande Prairie district and north of the Peace river are from 10 to 45 miles from a railway. I have seen cattle shipped out from Pouce Coupé, raised to the age of two years, driven 65 miles, and still a liability of 25 cents a hundred on the hands of the farmer who raised them. It cost then—in 1922—one dollar a hundred at the very least to ship cattle from Spirit River to Edmonton, and I have seen those cattle, after having been raised on Pouce Coupé and driven sixty miles to the railway, shipped to Edmonton at one dollar a hundred, and sold on the Edmonton yards at 75 cents a hundred. It is no wonder that we say the settlers there have carried on a heroic fight and it is no wonder that they are looking for some relief.

There is only one possible real solution of this question so far as the Peace river country is concerned, and that is a direct outlet to the Pacific and we ought to be in a position to-day to get a decision on that matter. We have spent during the last two years a total of $125,000 for surveys. I have stated in this House that I thought the route down to Brûlé or some point on the Canadian National east of the mountains was the best route but now that these surveys have been made we must, of course, allow the engineers of the railway to determine which is the better route. We have had surveyors working on this question for two years, at a cost of $125,000, and I think we should know what the decision is. The Canadian Pacific railway has been in that country for five years and they also have done some surveying, and I say we ought to be in a position to get a statement from the Minister of Railways as to what the intention of the government is. It is very important that the proper route be decided on because though we have four hundred miles of railway running from Edmonton north to the Peace river country, yet there is much well developed arable country not served by local branch lines. It is not wise to develop those branch lines until the outlet to the Pacific coast is determined on and laid out, because you cannot lay them out wisely so that they will fit in with the general scheme until the outlet has been decided upon. Furthermore, it is very important that we get an immediate decision. I think that ought to be available after the money we have spent on surveys and after the work the engineers have done.

Mr. CAHILL: I understand my hon. friend to be advocating the construction of a line from Peace river to the Pacific coast, and that such construction would be very important to his constituency. Does he think that by criticizing the government and saying that the government will not keep their word he is acting in the best interests of his constituents?

Mr. KENNEDY (Edmonton): I have not said the government will not keep their word. What I did say was that they have not carried out their pledges. They may do so some time in the future, next year, for instance.

Mr. CAHILL: What is the difference?

Mr. KENNEDY (Edmonton): I would say to my hon. friend that I am not willing to shut my eyes to facts. I want to face the facts, and I would like the government to do the same. I hope the government will face the railway issue and the tariff on their merits. My criticism, if it is founded in fact, should have no bearing at all on the question of whether that outlet will be built or not. I am not willing to bargain my support for a tariff if I think it is wrong, or to give my support for the sake of getting something else.

Mr. CAHILL: Does my hon. friend think the best course to take in order to get this railway is to vote the government out?

Mr. KENNEDY (Edmonton): I remember when we came into the House of Commons first, the hon. member for East Calgary advocated that we should vote on questions on their merit, without involving confidence or no confidence in the government. I supported that view, and I still believe in it. My hon. friend, I believe, and those around him voted to call almost any adverse vote on any government question a vote of want of confidence. That is a difficulty we are facing. I want to tell my hon. friend that I am not willing to submit to that rule. I have protested against it, and if it lands us in difficulties we shall have to face them. In the meantime I am offering my criticism to the government for what it is worth, and I intend to stand by my convictions in the matter. If the government is going to make it a personal matter, I cannot help that. I am not dealing with this matter on a personal basis at all. I am acting in what I believe to be the public interest. I may be wrong, and it may be that the people of my constituency will think it will be better to elect somebody else who will support the government through thick and thin, right or wrong, to get certain things. But I cannot do that; I am not doing it now, and I do not intend to do it.

Mr. Speaker, the Peace River district is only part of my constituency. I represent an area about half as large, I believe, as the province of Alberta. The people in the Peace river district are hanging on, and I say that it is not fair to keep them hanging on, if we have got the facts, without letting them know what we are going to do. They have gone into that country about three hundred miles back from a railway, and have freighted their supplies in there for the first few years. During the last few years most of the men hauling out wheat have been hauling it out over trails from thirty to forty miles long. They have been doing that in the hope that something better was coming, and I think it is only fair that the government with the facts in its possession should come out definitely and state its policy, whether it intends to do anything or not.

Mr. GRAHAM: Which government does my hon. friend refer to;—The government of Alberta that has leased to the Canadian Pacific the Edmonton and Dunvegan, in whose hands rests the transportation so far as that country is concerned, or the federal government which has no control over the Edmonton and Dunvegan whatever?

Mr. KENNEDY (Edmonton): I was not informed until now that the Alberta government had re-leased to the Canadian Pacific.

Mr. GRAHAM: I say there has been a lease for several years. It does not expire till July. I thought my hon. friend was referring to the Alberta government giving its decision about a lease.

Mr. KENNEDY (Edmonton): That is a fine point.

Mr. GRAHAM: No, it is not; it is the truth.

Mr. KENNEDY (Edmonton): I want to tell the minister that the present arrangement with the Canadian Pacific will not save that country, and what this government has to consider is whether that country is worth saving or not. If the agreement with the Canadian Pacific terminates in the near future, if the Canadian National go into that territory, there is no question about the Canadian Pacific being able to make some arrangement with the Canadian National to give us direct connection, or they will have to get out and let the Edmonton and Dunvegan railway fall into the National Railways hands. They could not possibly compete with the route to the west. You may say: let us use the present route and save the additional capital expenditure. Well, there is something to be said for that, but unless it is possible to give us a decent reduction in freight rates, the thing is hopeless. The real question back of this whole business is this, whether this Peace river country is

worth saving and worth developing. Men who have been hauling wheat thirty and forty miles for years begin to feel old age creeping upon them very, very fast. When men go into a country some distance from a railway, they go in there with the hope that a railway service is coming. They have been promised it in days gone by, and I think that the government ought to decide in the very near future whether or not they are going into that country. Under present conditions I do not think the Canadian Pacific can possibly help us out. The main line of that company runs to our natural exporting port at Vancouver, but it involves travelling by Calgary and over the high grades in the Rocky mountains. The Canadian National railway is two hundred miles nearer the Peace river country and it has favourable grades through the mountains. That territory is therefore a natural territory for the Canadian National. I wish to give some figures regarding freight rates between Alberta points and Fort William and Vancouver:

Freight rates from—	To Fort William per 100 lbs.	To Vancouver per 100 lbs.
Edmonton-Calgary	26 cts.	22½ cts.
Lethbridge	25	23½
Grande Prairie	43	39½
Sexsmith	43	39½
Spirit River	42½	39
B rwyn	42½	39
Wembly	44	40½
Whitelaw	43	39½

I have also a statement regarding traffic originating in the Peace river country. It is as follows:

DOMINION BUREAU OF STATISTICS—TRANSPORTATION BRANCH, EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RY.

Year	Grain		
	Originating on this Road	Received from other Roads in Canada	Total
	Tons	Tons	Tons
1916	15,868	44	15,912
1917	11,460	7,629	19,089
1918	29,162	10,226	39,388
1919	37,941	3,600	41,541
1920	41,538	8,394	49,932
1921	42,210	3,143	45,353
1922	48,061	19,949	68,010
1923	49,102	11,196	60,298
1924	79,229	17,022	96,251

DOMINION BUREAU OF STATISTICS—TRANSPORTATION BRANCH, EDMONTON, DUNVEGAN AND BRITISH COLUMBIA RY.—*Con.*

Year	Live Stock		
	Originating on this Road	Received from other Roads in Canada	Total
	Tons	Tons	Tons
1916	2,740	222	2,962
1917	3,499	1,540	5,039
1918	4,975	2,528	7,503
1919	13,088	405	13,493
1920	7,380	799	8,179
1921	3,708	1,086	4,794
1922	8,712	2,321	11,033
1923	7,472	3,043	10,515
1924	9,047	3,036	12,083

Year	Total Freight Handled		
	Originating on this Road	Received from other Roads in Canada	Total
	Tons	Tons	Tons
1916	159,906	7,224	167,130
1917	112,045	58,661	170,706
1918	141,700	48,218	189,918
1919	149,215	6,110	155,325
1920	157,863	20,047	177,910
1921	137,805	22,433	160,238
1922	142,393	39,288	181,681
1923	189,969	32,458	222,427
1924	314,626	49,395	364,021

In spite of the fact that we have been losing a large part of our population traffic is increasing. The reason, of course, being this: In a new country it is very difficult to produce a large amount per capita for a few years until buildings, wells, fences and so on have been conveniently built. After the settler gets to that stage he can increase his production, especially in a good year. I would have nothing to say if the Canadian Pacific Railway could and would give us a direct outlet, but it can operate the Edmonton, Dunvegan and British Columbia railway, only in connection with its line to Edmonton or Calgary. Therefore it can never in my opinion do anything than fight for very high freight rates, rates that place us at a tremendous disadvantage with the rates granted to the rest of the country. Therefore, I say it is the conviction of men who are farming in that district and will have to pay those rates that we will have a very difficult time unless a line is built directly to the Pacific coast. The Canadian National is comparatively close to the Peace river country as compared with the Canadian Pacific railway, therefore, I think it is the duty of the former system to solve that problem. I think that if they do they are bound

to take over under some arrangement the Edmonton, Dunvegan and British Columbia railway because I do not see how the Canadian Pacific can handle it. I want to say this much further: Owing to unnecessary mileage having been built in days gone by through a wrong location, I fear we will have to face the problem of possibly taking some loss in connection with it. But I also say the counsel that because we have made mistakes in the past we should tie ourselves up and do nothing in the future is the counsel of despair and a hopeless counsel for this Dominion. It is up to us to learn wisdom from our past mistakes and past successes, and try to apply that knowledge in the solution of the future problems of the country.

I notice that the hon. member for Brome (Mr. McMaster) is in the House, and there is one other thing I wish to refer to before I sit down. That will involve going back to the tariff again. A statement has been made that the reductions in the duties on implements were about 83 cents per half section to the farmers of Canada. The hon. member for Brome challenged those figures, and I think he was justified in making the challenge. Apparently the sacrifice in duty, so far as the government was concerned, amounted to 83 cents. However, I have a statement here which was prepared by one of the government departments which I wish to place on Hansard. It will speak for itself:

COMPARATIVE STATEMENT SHOWING THE BENEFIT TO THE FARMERS (a) OF CANADA (b) OF THE THREE PRAIRIE PROVINCES BY THE REDUCTIONS IN THE TARIFF ON AGRICULTURAL IMPLEMENTS IN SESSION 1924.

STATEMENT No. 1—

Duty on dutiable farm equipment entered for consumption from April 1st to October 31st, 1923 and 1924 for all Canada.

Value	Duty	Percentage of Dutiable goods
	1923	
		%
$5,644,528 (free 3,684,418)	$ 814,331.01	14·4
	1924	
$3,156,986 (free 1,697,896)	$ 306,836.57	9·7

On imports of all dutiable agricultural implements valued at $3,156,986, April 1 to October 31, 1924, there was a reduction of duty of 4·7% or an actual reduction of duty paid by the farmers of the whole of Canada of $148,378.

By return to E. J. Garland acres in field crops	57,230,534
half sections	178,845
saving per half section	$0.83

STATEMENT No.2

Duty on dutiable farm equipment entered for consumption from April 1 to October 31, 1923 and 1924 for Manitoba, Saskatchewan and Alberta.

	Value		Duty	%	
		1923			
Manitoba	$ 1,767,320	(free $787,095)	$ 260,347.40	14·7	
Saskatchewan	2,184,635	(free 1,433,465)	321,595.43	14·7	
Alberta	610,940	(free 313,820)	84,184.95	13·7	
	$ 4,562,895		$ 666,127.78	14·4	average
		1924			
Manitoba	$ 853,259	(free $432,248)	$ 85,409.80	10·0	
Saskatchewan	979,994	(free 524,279)	97,795.39	9·9	
Alberta	346,722	(free 140,807)	34,640.27	9·9	
	$ 2,179,975		$ 217,845.46	9·9	average

So it will be seen that the saving to the farmers was three times 83 cents or about $2.49 per half section. The figure of 83 cents was given for a half section, and the figure of $2.49 would be for a half section also. I may say that that statement would be pretty well

borne out by a statement made by the Minister of Finance (Mr. Fielding) who I regret is unable to be with us. This statement is to be found at page 3151 of Hansard of 1921 as follows:

> But it must be remembered—and economists, I think will agree—that the saving you make in a case like that is not to be measured only by the amount that you did not pay into the Customs: you have to take into account also the check that was put upon the rise of prices at home, and that for every dollar saved to the people in that direct way probably two dollars were saved in the difference between the prices prevailing and those which would otherwise have been charged by the home manufacturer.

Mr. BOYS: In making a few remarks an hour ago I referred to the discussion on the canteen fund, and stated, that I had only been able to find one day, March 5, on which 38 columns of Hansard were occupied in dealing with it. I did say that I was not certain that I was right. I have since found I was wrong and in justice to my hon. friends opposite I want to put myself right. I find that on March 24, 67 columns were occupied in dealing with the canteen fund out of a total of 114 columns on that date. On March 25, Wednesday, a half day, 37 columns were occupied out of a total of 52. I think it is only right that I should correct myself and not leave a false impression.

Mr. JOHNSTON: Now that the whip of the Conservative party has risen to a question of privilege, I do the same, and I would like to explain to the House that as there has been some discussion as to the time occupied by the different members of the different parties of this House I think it is only due to members of the Progressive party that I should give the figures and place them on Hansard. The Liberal speakers up to last night numbered 46. They used 838 columns of Hansard, or an average of 18.2 to the speaker. The Conservative speakers numbered 26, using 629 columns, or an average of 24.1. The Progressives, of which party I have the honour to be the whip contributed 25 speakers, who used 382 columns of Hansard, or an average of 15.2. The Independents, which number 13, and one member I believe who is not connected with the 13, contributed 7 speakers, using 175 columns of Hansard, with an average of 25 columns. I think it is only due to the members for whom I have the honour to act that I should give this statement to the House.

Mr. ROBERT GARDINER (Medicine Hat): I recognize the fact that this debate has been continued to an extensive length, but notwithstanding that fact, Mr. Speaker, and the fact that it is almost breakfast time, I still feel it is my duty to make some remarks upon the budget, even at this early hour of the morning. So far as I am personally concerned, I am very greatly disappointed at the budget. After the government last year made some slight reductions I had hoped personally that they would continue along those lines and that this year we would get some substantial reductions that would be really worth while; but unfortunately the government have not seen fit to give us any reductions worth mentioning. Since this House met in session this year I believe the Prime Minister has made the statement that the reductions made last year have been a great success, but he has also made the statement that notwithstanding the fact that he recognized that those reductions were a great success, we must still pause to see how much this success really amounts to. One would naturally think that when a person or a government had been successful in any line of endeavour they would continue upon that line and reach a greater success, but that does not seem to be a propensity of this particular government, and under those circumstances naturally we feel very much disappointed. I quite recognize the fact, Sir, that the protectionists in Canada are very active in pressing their demands. They can readily mobilize, they can get the ear of the government very quickly and press their demands to an ultimate conclusion. But there is one point to which I should like to draw the attention of our protectionist friends, and that is this: That while they claim they are entitled to the home market and claim also that because of the fact they are entitled to the home market they should receive such a protection as would ensure that home market for them; yet I have never heard any of the protectionists make any suggestion to put into effect a policy that while they control the prices, they would see to it that they do not take undue advantage of the protection Canada affords them. We also find our protectionist friends telling us that protection will provide employment and good wages for our workmen. This seems to be a somewhat ridiculous claim, because if you will look the world over you will find that in some of the highest protection countries in the world they have the greatest unemployment, and furthermore, if we ever go to free trade England, we find they have unemployment there, and consequently it does not seem that the question of protection or free trade is a great factor in providing employment for the people of the various countries. There is one point that always appeals to me when I hear our protectionist friends discussing the question of adequate protection, and that is this: That in my judgment pro-

tection has absolutely failed to protect the purchasing power of the people in Canada. And in my judgment I believe also that the question of the purchasing power of the people of Canada is a bigger factor to-day than the question of protection or free trade is. At the present time naturally we pay some attention to the question of the purchasing power and the distribution of that purchasing power, and I am satisfied that our industries will never meet with the success that they should until this problem is solved. We find also our protectionist friends pointing to the United States and telling us what a great success protection has been in that country. They maintain that conditions in the United States at the present time have been brought about by the extraordinarily high protection that the United States affords to its manufacturers, and when the Speech from the Throne was being discussed on February 10, 1925, the hon. member for Vancouver Centre (Mr. Stevens), in referring to the United States, made the following statement:

> And with a 4,000-mile boundary and a tariff three times as high as ours.

In the first place the hon. gentleman's imagination runs away with him when he mentions the boundary line between Canada and the United States, but when he mentions the question of the tariff being three times higher in the United States than in Canada his imagination goes out of bounds altogether, and I propose to give to the House to-night the actual figures in that regard. I desire to give the House and to place on Hansard a comparative statement, in so far as the United States of America and Canada are concerned. The first item that I want to bring before the House is the duty collected in both of these countries. In Canada in the year 1921 there was collected a total duty of $179,667,683. The population at that time was 8,788,483. That meant a per capita duty collected in Canada for that year of $20.44. In the United States for the same year the per capita duty collected was only $2.86. In the year 1924 the per capita duty collected in Canada was $14.65 and in the United States only $4.86.

I have another table here which is very important and interesting and which deals with the average rate of duty on dutiable imports. In the year 1921, the average rate of duty on dutiable imports was 21.20 per cent in Canada and 20.30 per cent in the United States. Therefore, hon. members will notice that the average rate of duty collected on dutiable imports in that particular year was greater in Canada than in the United States. When we come to the year 1924, we find conditions somewhat changed, but this is applicable only to last year's business. In 1924, the average rate of duty collected in Canada was 22.85 per cent and in the United States it rose to 35.51 per cent. Another point with regard to these duties as between Canada and the United States and which we must recognize, because it is very important, is the average rate of duty on total imports. That includes the free, of course, as well as the dutiable imports. In 1921, the average rate of duty on the total imports into Canada was 14.49 per cent, and on the total imports into the United States it was only 8.43 per cent. In 1924, the average rate of duty on total imports into Canada had risen to 15.13 per cent, and on total imports into the United States it had risen to 15.33 per cent. That means to say that the average rate of duty collected in the United States last year was only .20 per cent higher than the average rate of duty collected in Canada. That, of course, leads us to believe that, while on certain imports going into the United States, the rate of duty is much higher than the duty on goods going into Canada, the United States has a much larger free list than we have in Canada, and the tax payers of the United States are, to all intents and purposes, not paying much higher import duties on the average imports into that country than we are doing in Canada. Therefore, when our protectionist friends point to the United States as an example of prosperity, we must believe there is some other factor connected with their prosperity that is not within the scope of the protective tariff. I will place this list on Hansard and hon. members will find at the bottom explanatory notices which will give the references for the various items. The list is as follows:

COMPARISON OF AVERAGE RATE OF TARIFF DUTIES CANADA AND UNITED-STATES

—		Duty	Population	Canada	U.S.A.
		$		$	$
Duty collected per capita					
1921	(g)	179,667,683	8,788,483	20.44	
1921	(a)	308,025,102	107,833,284	.....	2.86
1924	(h)	135,134,894	9,226,740	14.65	
1924	(b)	545,012,115	112,078,611	.....	4.86
		Duty	Imports	p.c.	p.c.
Average rate of duty on dutiable imports					
1921		$179,667,683	(i) 847,561,406	21·20	
1921		308,025,102	(c) 1,517,000,000	.....	20·30
1924		135,134,894	(j) 591,299,094	22·85	
1924		545,012,115	(d) 1,535,000,000	.....	35·51
Average rate of duty on total imports					
1921		179,667,683	(k) 1,240,158,882	14·49	
1921		308,025,102	(e) 3,654,000,000	.....	8·43
1924		135,134,894	(l) 893,366,867	15·13	
1924		545,012,115	(f) 3,554,138,268	.....	15·33

Explanatory Notes:—

U.S.A.—For items (a) and (b) see annual report of U.S. Secretary of the Treasury, 1923-24, p. 391.
For items (c), (d), (e) and (f), see U.S. Trade Information Bulletin No. 276, p. 2.

Canada.—For items (g) and (h) see Canada Year Book 1924, p. 455.
For items (i), (j), (k) and (l), see Canada Year Book , 1924, p. 452.

Mr. WHITE: Can the hon, member give the House the per capita imports for Canada and the United States for the same years?

Mr. GARDINER: I was coming to that next. The hon. member for Vancouver South (Mr. Ladner), when speaking in this House a few days ago, purported to give certain figures with regard to imports and exports. I called his attention at that time to the fact that, in my judgment, they were incomplete and did not disclose the actual situation. I, therefore, went into the matter and I have this information to give to the House. This deals with the per capita imports and exports of the United States and Canada. Last year the exports from the United States amounted to $40 per capita, that is, taking the population at 112,000,000. The imports into the United States amounted to $32 per capita. Therefore, we see that the United States last year exported more than they imported to the extent of $8 per capita. Last year the exports from Canada amounted to $118 per capita, that is figuring a population of 9,000,000, and the imports into Canada amounted to $88. Let us take the percentage of imports to exports in the United States and Canada. We find that in the United States they imported 80 per cent of their exports, or in other words, they imported four-fifths of the volume of their exports. In Canada the percentage of imports to exports is 75 per cent. That is to say that the Canadian people imported less per capita on a percentage basis than did the people of the United States. Consequently, we must come to the conclusion that it is not high protection that is making the United States prosperous. The reference to these figures will be found in the Commercial Intelligence Journal of March 14, 1925, and for Canada in the Department of Customs and Excise.

Many members in the House, in discussing the budget during this session, have suggested the possibility of imposing an export duty on certain raw materials leaving Canada. They have maintained that it is essential that we should manufacture practically all our raw material in this country if possible and they have pointed to the United States as an example of a country that is manufacturing to all intents and purposes its raw material and exporting the surplus of the manufactured product. I am going to quote again from the Commercial Intelligence Journal of March 14, 1925. This deals in groups with the exports of the United States

for the year 1924. The first item we have amongst these export figures is:—

Article	Amount	Percentage of total exports to United States
Crude materials for use in manufacturing	$1,326,285,567	29.49
Foodstuffs in crude condition and food animals	302,135,202	8.72
Foodstuffs partly or wholly manufactured	575,036,612	12.76
Manufactures for further use in manufacturing, that is to say, goods only partly manufactured	610,553,785	13.58
Manufactures ready for consumption	1,588,183,340	35.30
Miscellaneous	6,555,533	.15

This shows conclusively that the argument put up by our protectionist friends, that we should manufacture all the raw material we can produce in Canada, does not hold in the great protectionist country to the south of us, where as a matter of fact the manufactured goods ready for consumption amount to only 35.30 per cent of the total exports. I think therefore that we should pause to consider whether we should put an export duty on certain raw materials, or to impose an embargo as the case may be, in view of the fact that a large percentage of all the exports of various countries go out in the form of raw materials, and this for the reason that the people who purchased raw materials demand them and will procure them no matter from what source.

Mr. DICKIE: How much raw material, of the kind with which our argument was concerned, is shipped out of the United States, such as wood and wood products? And the hon. member must remember that this is not a yearly crop.

Mr. GARDINER: I have not the figures in regard to that item; the statement just gives all crude materials.

Mr. DICKIE: These particular materials are not an annual crop.

Mr. GARDINER: The Acting Minister of Finance (Mr. Robb) brought down an amendment to the Dumping Act. As already stated in the House on more than one occasion, the minister proposes to withdraw this amendment and allow the act to stand as it is at the present time. While personally I believe in the greatest freedom of trade that we can possibly get in this country, I am just as satisfied of the fact that so long as this Dumping Act remains on the statutes it will be idle for the people to think that they are getting any reductions even when such reductions have ostensibly been made. So long as the department has the opportunity of enforcing the Dumping Act just as they see fit then I am satisfied that any reductions that are made in the duties will be of very little avail.

5 a.m.

I am not of course in the confidence of the Acting Minister of Finance and consequently I do not know what reason he would have for withdrawing the amendment to the Dumping Act. Possibly some pressure may have been brought to bear upon him; but whatever the reason may be I feel satisfied that he is doing the right thing in withdrawing it and I should be still further satisfied if the Dumping Act were put in such shape that it could not be applied by the officers of the department as they saw fit or to suit their particular mood.

The government proposes to establish a tariff board, or rather to employ certain men in the departments to go into the whole question as to whether it is desirable to raise or lower the tariff as the case may be, as circumstances warrant. There is just one point I want to raise in this connection and that is this: if these employees of the different departments are merely to keep the information to themselves or give it only to the Minister of Finance or the government, then the tariff board will be of very little use to the people of the country. I maintain that so long as there are employees of this description in the service of the people, and so long as they are paid to perform a certain duty, which in this case would be the securing of information, the members of this House should be just as much entitled to that information as any member of the government; and I shall never be satisfied, if we are to get justice in this regard, unless the information is forthcoming from time to time. It is quite true of course that the protective tariff is very advantageous to the manufacturing industries of Canada. But how does it affect the agricultural industry, which after all is a highly important one? Many hon. members seem to forget the importance of that particular industry, and we must therefore examine the situation to see how protection affects the farmer. It may be true that in some few cases of no great importance the farmer may derive some benefit from certain protective duties. But I am satisfied that in the long run the Canadian farmer has to bear the brunt of the protective system, which can be so manipulated that eventually the burden will rest upon the shoulders of the agricultural community. They are the ones who have to bear the largest portion of the protective tariff.

I have said that agriculture is a very important industry in this country and I am going to quote a few figures from the De-

partment of Customs and Excise, being a summary of the Canadian trade for the twelve months ending March 1925. The total exports from Canada last year amounted to $1,069,067,353, while the export of agricultural products totalled $606,330,292, the exports of all other products being $452,737,061. In other words, the agricultural exports of Canada last year were in excess of all other exports to the extent of $143,593,231. So that the percentage of agricultural exports, in relation to the total exports from this country last year, was 56 per cent. Of course, some of these agricultural exports were partly manufactured, and that added to their value. Nevertheless we must recognize that those products have their origin on the farms of Canada, and just so long as agriculture is responsible for the exportation of such a large volume of commodities in comparison with all other commodities produced in Canada, then it is only fair that agriculture should be given due consideration. But when we come to consider the tariff duties in force in this country I can say very emphatically that agriculture has never been given the consideration it should have received.

I wish to refer for a few moments to the conditions of western agriculture, because that is primarily what I am interested in. I think it can be stated that, taking it by and large, the farmers of western Canada are producing at a loss. Just what the extent of that loss may be it is very hard to determine. I am aware, of course, that in certain favoured districts during the last year where they had the good fortune to have heavy grain crops, some of the farmers—and the phenomenal rise in the price of grain was also an important factor —did very well. But we cannot deal with isolated localities; we must deal with average conditions, and I believe we are justified in saying that on the average the grain crops of Canada last year were produced at a loss.

So far as the constituency I have the honour to represent is concerned, I would like to direct attention to the conditions in that part of the province. True, they have similar conditions in other parts of the province. This land was thrown open for settlement about 1908 or 1909. It was advertised to the world as land fit for settlement, capable of producing good crops, grain, fodder and so forth. While it is true that the first few years we were in there the conditions were fairly good, in recent years the land has not been as good for agricultural purposes as we anticipated, and as we were led to believe. Before this land was thrown open for settlement I understand that the officers of the Department of the Interior used all the persuasive powers they could exert upon the minister to advise him against the opening up of this section of country on the ground that it was not first-class agricultural land. Remembering the fact, therefore, that the minister opened up this land against the advice of the officers of his department, we must hold the government responsible for the mess that that part of the country is in. I have travelled through practically the whole of my constituency during the last two years, and I can assure you that I have seen some heartrending scenes. For instance, last fall I was on a trip and I went down to see some people with whom I was fairly well acquainted. I found that they had left the district for good. This couple came from the United States after reading the advertisements sent out by the Department of Immigration. They have buildings on that place to-day that I will guarantee could not be built in these times for less than $20,000, and the investment they made in that property represented their entire saving of a lifetime. They are now an old couple, and last fall they left that district and the man went out to find a job. That is one of the isolated cases, and it is but representative of thousands of similar cases in that part of the country. The question that arises now is, what is the government going to do about it? The federal government cannot escape the responsibility, having invited those people there. Not only is there a large capital investment in the farms themselves, but there is a tremendous investment in the towns and villages, so much so that the people in business there have been in the same unfortunate position as the farmer that is to say, they have lost everything they put into their business. I sincerely trust that the government will give some consideration to this question, because it affects a very large portion of the south-eastern corner of southern Alberta as well as a portion of Saskatchewan. In justice to the people who are still there and desire to make a living there, the government should endeavour to find out what this land is suitable for and by what method those who are in that country can attain some measure of success. I am satisfied that the land is good for something, but the people have not the means for carrying on experiments to find out what it is fitted for. I trust the government will lose no time in looking into the matter.

Mr. LEWIS: What is the rainfall in that district?

Mr. GARDINER: It varies from eleven inches up to twenty. Of course it is sometimes less than eleven inches.

Now, the farmers of the west have been advised to go into mixed farming. The country I represent could go into mixed farming because fodder corn can be grown there without any difficulty. But very few of the people know anything about the growing of corn, and if the government could give some lead in that respect, I am satisfied we could work out a system of agriculture that would be satisfactory in that district, and produce a tremendous volume of agricultural products. But when we attempt to go into mixed farming, when we attempt to milk cows for the cream and butter we can get, the government comes along and puts a tax on the tickets we use in that connection. During the last few days I have had more telegrams in regard to that matter than I have been able to read. The eastern farmer can deliver his own milk or cream to the factory, but in western Canada the factories are few and far between, and sometimes we have to ship our cream very long distances by express. That entails heavy expenditure to the farmer who is selling the cream, but on top of the express rates the government imposes this tax to which I have referred. I suggest that the government should give this matter also their attention and see if some remedy can be effected.

In my judgment the farmers of Canada are faced with many problems which are just as important as the tariff problems. I am satisfied of this fact, that while we might get substantial reductions in the tariff, which would be appreciated, at the same time those reductions would hardly begin to solve the problems that we farmers have to meet. If you take price levels say just prior to the war and compare them with price levels today, you will find that in so far as manufactured goods and services are concerned, the prices of manufactured goods to-day are much much higher than the prices of agricultural products, and this has been the case for quite a few years. I feel that until such a time arrives as we can get price levels more equalized than they are to-day, agriculture is going to have a very strenuous time in Canada, and just so long as agriculture is having a strenuous time, industry in Canada may also expect to have a strenuous time.

The position the farmer is in is something like this. When the farmer has worked hard and produced some agricultural product, when that product is ready for the market he looks for a buyer. When he finds someone who is willing to buy his product, what is the question that he asks the buyer? It is this: What is the price you will pay me for this product? If the farmer sells his product and gets the money for it, he no doubt goes to the general merchant to buy something that is required for the farm or the home, as the case may be, and when he sees what he requires in the store, what is the question that the farmer asks the storekeeper? It is this: What is the price? So that the farmer is in the unfortunate position that both when he sells and when he buys he has to ask that same question, what is the price? And just so long as the farmers are content to stay in that position, agriculture will never be prosperous. It is impossible for it to be prosperous under those circumstances. I will guarantee there is no business in Canada except farming that could exist for twelve months if it was placed in that same position the farmer is in of having to ask both when he buys and when he sells, what is the price?

That brings us, of course, to the problem, what are the farmers going to do under these circumstances? We have attempted in western Canada to do something to deal with this particular question. We have organized our co-operative selling organizations for the purpose of the better marketing of the products of the farm. True, we have not them organized as extensively as we would like, but we are proceeding very satisfactorily, and I am hoping to see the day when these co-operative selling organizations will have in them every farmer in western Canada, in fact, every farmer in the whole Dominion. When that day arrives, Mr. Speaker, we can expect something worth while to happen, because when the farmer gets into that position where he will be selling co-operatively, instead of individually he will be in a very different position from what he has ever been in before in the history of this country or of any other country in the world, for he will be in the position of having something to say as to the price of the commodity he has to sell. He will also have something to say as to the price he will pay for the commodities he has to buy. We will then be in a position to say to our manufacturing friends: Now we will exchange the products of the farm for the products of the factory on the basis of the units of labour contained in the various commodities, and on no other basis at all. I am satisfied of this fact, that to-day when the farmers of Canada exchange the products of the farm for the products of the factory they are giving at least five to six units of labour in exchange for manufactured products that probably contain only two and a half to three units of labour, and just so long as the farmers remain in that unfortunate position

those who have exploited them in the past, and who are to-day exploiting them, will continue to do so until the farmer in self-defence joins the co-operative selling organizations and does his selling co-operatively instead of individually. In my humble judgment there are greater possibilities so far as agriculture is concerned in these co-operative selling agencies than in almost any other thing I know of, and I am trusting and hoping to live to see the day when that idea will be brought to full fruition, because Mr. Speaker, I expect to enjoy a good laugh at the expense of our manufacturing friends, who have been exploiting us so handsomely and for so long.

I would like to give the House a little information with regard to the price of agricultural products, and to show to the House if I possibly can why it is that the purchasing power of the farmer to-day is to all intents and purposes gone, and why it is that industry also of course is beginning to feel the pinch as severely as it does at the present time. In the year 1918 the total value of agricultural products amounted to $1,881,718,000; in 1919, $2,109,291,000; in 1920, $2,011,201,000; 1921—and here you will note a tremendous drop from the previous year—$1,383,958,000; 1922, $1,389,289,000; 1923, $1,350,096,000; 1924, $1,453,368,000. Now if you examine those figures very closely you will find that the purchasing power of the farmer in 1924 as compared with the year 1920 dropped about $700,000,000, and when you find the purchasing power of any class in this country drop to the extent of $700,000,000 you can readily understand that all the other industries in Canada are going to feel the effect of that drop. That is the trouble that we find our farmers are up against to-day, and just so long as they lack purchasing power, just so long may we expect the privileged interest of Canada to come knocking at the doors of the government asking for higher protection in order that they may be able to get a little more profit if they possibly can. But that in itself is no solution. It will not solve the problems that we have to meet, and we will have to meet those problems in a different way and in a way that will be more equitable to all. We have heard a good deal of discussion since the budget was brought down as to just what is the national debt of Canada. It is very hard to find out just what that debt is. The experts that we have heard in this House all had different figures; and when we find that experts disagree we can hardly expect the ordinary member of parliament to be able to determine what the actual debt of Canada is at the present time. But the point I wish to make this morning is that we have a great national debt, growing a little it is true all the time. What are we doing to try and meet that national debt? No provision is being made at all for the liquidation of the national debt. We are making no provision for any sinking fund that I am aware of, nor in any other manner whatsoever, to meet the great burden that we have now upon our shoulders. I am satisfied of this fact, however, that the people of Canada are expecting this government, or some government, to start and look into this question of trying to meet our national debt and doing so at the very earliest opportunity.

The hon. member for Portage la Prairie (Mr. Leader) when he spoke earlier in this sitting gave some figures with regard to the cost of certain departments of the government of this country. I have here a rather extended statement which shows the comparative costs of parliaments and the cost of government generally in Canada. Let me say here, Mr. Speaker, that I am in no hurry and if any other member of the House wishes to speak I will be glad to wait for him.

Mr. SPEAKER: Order, order.

Mr. GARDINER: We will take the cost of the federal government to begin with. There is paid $384,000 in indemnity to the senators, and $950,000 in indemnity to the members of this House, or a total of $1,334,000, as taken from the estimates of 1925. In addition to that we have nine lieutenant-governors, and their salaries cost this country $91,000 per annum. That figure is also taken from the estimates of 1925. The total cost of the various legislatures—and I only have the figures for 1921—amounts to $2,749,339. Take all these figures that I have mentioned and add them together, and we have a total cost of $4,083,339, or a cost per million of the population, taking the population at nine millions, of $453,704 33. Now let us look at Great Britain where we have the Mother of Parliaments. Great Britain has a population of 45,000,000. Its parliament comprises 615 members. The indemnity of members in Great Britain is £400. Reduced to dollars and cents the total indemnity in Great Britain amounts to $1,197,202, or a cost per million of population of $26,604.45 as against $453,704.33 in Canada. Those figures are well worth the consideration of any hon. member of this House.

Now let us see what the cost of government is in Canada. This is the federal expenditure for 1922-23. The total expenditure, less capi-

tal, was $424,645,217, in the provinces $130,887,303. In the municipalities, that is to say municipalities containing a population of 1,000 and upwards, the total cost of municipal government amounted to $247,255,345. Taking all these different forms of government we have in this country it cost the Canadian people for these legislatures $802,787,865. If we take our population again at nine millions we find it cost $89 per capita for government in Canada, or $445 for the average family of five. That is what it costs us for the various forms of government that we have in this country.

Now let us take a comparison of the cost of federal cabinets. We will again assume that the population of Canada is nine millions. First we have a governor general who receives a salary of $50,000; we have 18 cabinet ministers, one receiving $19,000 and 17 receiving $14,000, a total cost of $257,000. Adding these two items together we find that our federal cabinet costs us $307,000. The cost per million of the population is $34,111. That is for the federal cabinet alone. Now let us take the United States. The president receives $75,000, and there are twelve cabinet ministers at $12,000. The amount paid to the twelve is $144,000 or a total of $219,000, as against an expenditure in Canada of $307,000. The cost per million in the United States is only $1,991, as against $34,111 in Canada.

Now let us take our other services, say for instance our deputy ministers and other employees in the government services enjoying the rank of deputy minister. In Canada we have 22 deputy ministers and their salaries involve a total cost of $173,500. We have also 14 employees in the government service that have to all intents and purposes the rank of deputy minister. They cost Canada another $104,000. If we add these two items we find that our deputy ministers and those holding the rank of deputy cost Canada $277,500. Now let us look at the United States. They have deputy ministers there, or men in the employ of the government having the same rank as our deputy ministers, to the number of twenty-one. They may be enumerated as follows:

Department of Agriculture	1
Department of Commerce	1
Department of Interior	2
Department of Labour	2
Department of State	4
Navy department	1
Treasury department	4
War department	1
Post Office department	4
Justice department	1

The cost of these employees in the United States, 21 at $7,500, equals $157,000. Let us see the comparative statement between the United States and Canada for these officers of similar rank. Canada has 36, costing $277,500, or $30,833 per million of population. The United States of America has only 21, costing $157,500, or $1,432 per million of population. Now those figures are very important and are something that this House should give attention to. We have in Canada a very sparsely populated territory, and we cannot afford to carry all these high-paid officials, and while it is true that probably the saving might not be very much, yet at the same time it would be appreciated by the people of Canada and would be an incentive for the people to go ahead and do the best under the circumstances.

From time to time we hear a good deal of talk about secession from confederation in Canada. This is presumed to be heard in the Maritime provinces and also in the western provinces. Let me make my position very clear. I would be very loath indeed to see confederation broken up, and I would go a long way to try and retain it. But there is a point of view which must not be lost sight of, and it is this: That people generally speaking will only stand so much injustice, and when the pressure of injustice becomes too strong they will naturally resent it and take what means they have in hand to get away from that injustice. In so far as I am personally concerned, I have heard more talk about secession in the cities and towns of western Canada than I have in the rural districts. Now I think this is very unfortunate, but I would just like to place before the House the view that some of these people have placed before me, and they put it in this way: They say, "Suppose these nine provinces in Canada had no confederation at all, the provinces having full jurisdiction over their own affairs." And they go further and say, "Suppose the provinces of, say, Ontario and Quebec, came to the other seven provinces and said, 'Here, let us have a confederation of these provinces and let us turn them into a Dominion.' These other seven provinces would naturally say 'All right, but under what terms do you propose to create this Dominion?'" Now, Mr. Speaker, suppose these two provinces that I have already mentioned were to say, "These are our terms," and if they mentioned terms similar to those in existence at the present time, what do you suppose the other seven provinces would say to the two provinces? Do you presume for one moment that, say, the Maritime provinces and the three prairie provinces would accept the conditions that we have imposed on us to-day and enter confederation on that basis? Why, the idea is simply ridiculous. If,

therefore, they would not enter confederation on the present basis, how can Canada expect to maintain confederation unless those disabilities are removed? I have stated already that I would like to see confederation kept intact, but with a full responsibility of what I say, I am just as satisfied, Mr. Speaker as that I am standing here this morning, that unless a little more serious consideration is given to the various needs of the several provinces of the different parts of Canada I am very much afraid for confederation.

We find our protectionist friends, as I have stated before, appealing to the government for higher duties. I do not think that higher duties would be of very much benefit to the industries of this country because of the fact that during recent times we have had a new factor entering into the whole situation, and that new factor that we are up against is this: That industry in Canada to-day is controlled by finance, and the captains of industry are not to-day free to develop their industries as they would like to, and just so long as parliament is willing to allow industries of all descriptions, including agriculture, to remain under the throttling influence of finance, I am satisfied that neither industry nor agriculture will prosper. It is an impossibility. Now in what position do we find ourselves to-day in regard to the financial situation? First of all, let me say that parliament, either in its wisdom or otherwise, has turned over to private individuals for their own private profit the function of printing and putting into circulation money; and money in the final analysis should be used only as a medium of exchange. That is the prime function of money, but because of the supineness of governments in the past we find that the financiers of Canada, as of the world over, are not only using money as a medium of exchange, or putting into circulation as a medium of exchange, but they also have turned it into a commodity, and because of the fact that they have turned it into a commodity and find a greater profit in buying and selling money as a commodity than they do using it purely as a medium of exchange, the circulating function of money has been made subservient to the commodity nature that the financies have incorporated into money. In the final analysis, the basis of the real credit of Canada rests upon the ability of the Canadian people to produce and deliver goods. That being the real basis of credit, and being also the real basis upon which our money comes into circulation, naturally those who are responsible for the creation of the real credit of Canada are in an almost hopeless condition when they desire to use some of the circulating medium for the purpose of their business. I do not see any hope that the government will ever seriously tackle this situation. I do not think they will. But I am satisfied of this fact, that it will be tackled in a serious way in the very near future, not alone by those who are engaged in agriculture, but by those who are engaged in industry, that is if they want the industries to survive. When our industrialists in Canada realize the position they are in at the present time because of the fact that our Canadian financiers control the circulating medium, and when they recognize how closely that control is identified with their success, I am satisfied that both industrialists and agriculturists will demand that we nationalize the money system in Canada. I am not going to say any more about that to-night because I believe I have taken up my allotted time.

I want, however, before I conclude, to pass a few remarks with regard to the attitude of the Prime Minister (Mr. Mackenzie King) to-night. When he was speaking this evening, he adopted what, in my opinion, is a very peculiar attitude. In fact, if the rules would allow me, I would say that the Prime Minister adopted a very childish attitude, but if the rules of the House will not allow me to say that, I will not say it. The Prime Minister to-night thought it was quite within his privilege to lecture the Progressive members in this House and those who sit close by them. When I was nominated to contest the seat that I now have the honour to represent, there was a very distinct understanding as to my attitude in this House, and that distinct understanding was that I should not be guilty of engaging in political bargaining. The attitude of the people who sent me here is this, that I am to consider the measures that come before the House and to use my judgment regarding those measures. If I feel those measures are in the interest of Canada as a whole they expect me to support them; but if I feel that any measure that comes before the House is not in the interest of Canada as a whole, they expect me to oppose it. I do not propose to depart from that principle. Therefore, if the government requires my support at the present time, I shall be only too glad to give that support when I deem that the measure is one in the interest of Canada as a whole. That is the only basis upon which they can ever receive my support. It ill-becomes the Prime Minister of this country to suggest even the possibility of political bargaining, and I was very sorry to hear him make the statement that he did to-night.

Mr. MACKENZIE KING: What was the suggestion?

Mr. GARDINER: The suggestion was, to all intents and purposes, as I understood it, that if the Progressive party in this part of the chamber desired certain legislation to be brought before the House this session, they had better behave themselves and be careful.

Mr. MACKENZIE KING: There was absolutely nothing of the kind. My hon. friend is putting a false interpretation entirely upon what I said. I was trying to treat hon gentlemen opposite with a degree of courtesy. I had been asked to state to some hon. gentlemen on the other side what legislation would be brought down and I tried to give an honest frank, straight-forward statement as far as I was able. There was no bargaining or thought of bargaining.

Mr. GARDINER: I am very glad to hear the Prime Minister's explanation. If that was his intention, I shall be happy to withdraw my remarks. If at any time I should misinterpret any member of this House and the misinterpretation is called to my attention I will be pleased to withdraw. I assure the House I do not want to do any hon. member an injustice, but I interpreted the Prime Minister's remarks in the manner in which I described them. I am glad, however, to hear his explanation. I think it will soon be breakfast time, I do not propose to take up the time of the House any longer.

I should like to say a word with regard to the amendment moved by the Conservative party. I do not propose to support that amendment, on the principle that, while they ask for lower taxation, by way of a reduction in the sales tax, I, like my hon. friend the member for West Edmonton, (Mr. Kennedy) think any reduction in taxes should be made in the tariff instead of in the sales tax. That is the reason why I cannot support that amendment. As regards the budget, I regret very much that I cannot support it. Had the government, as I stated earlier in my address, proceeded with reductions in the tariff along the lines that they did last year, I would have been only too glad to support the budget; but in view of the fact that they have stopped short in their good mission, I propose to apply the principle that I outlined before. I am going to vote for or against it on its merits, and this budget, in my judgment, having no merit, therefore I cannot support it.

Mr. W. C. GOOD (Brant): Mr. Speaker, I am not responsible for being compelled to speak at this hour or not at all. The Prime Minister (Mr. Mackenzie King) talks of delay and obstruction, and gently intimates to us that we ought to keep quiet. The Minister of Labour (Mr. Murdock) can speak for three hours; the Minister of Agriculture (Mr. Motherwell) can speak for three hours—perhaps it was more—and many other members of this House can speak for two, three or four hours; but now it is intimated that we must not delay or "obstruct." Well, I can assure the Prime Minister (Mr. Mackenzie King) that, speaking for myself, I have not consumed much of the time of the House this session and I do not propose on the present occasion meekly to extinguish myself. I consider I have a duty to perform, an unpleasant one I grant you, but I do not shrink from the task. I have something to say and I intend to take what time is necessary to say it. That, I think, is a sufficient apology for my participation in the debate on the present occasion.

I would not attempt to speak at this hour if I did not at least try to break new ground; I have no use for repetitions of what has been said over and over again. I therefore propose this morning to deal in the main with the topic which I shall now announce: I shall try to examine why it is that the ordinary free trade argument appeals so little to our citizens while the protectionist argument appeals so strongly to them. I think that is a study worth while; I have not heard it discussed in the House and I intend to consider it on the present occasion. However, before entering upon that examination I should like to draw the attention of the House briefly to some remarks made by the hon. member for West York (Sir Henry Drayton), the ex-Minister of Finance, on March 26. He said:

> Let us see how much Canada helped the United States in the period of railway exploitation. In the period ending in 1913, the United States enjoyed the comfortable, favourable trade world balance of $4,564,000,000 odd and Canada accounted for no less than $1,303,000,000 odd of that enormous sum. Just think of it!—out of a favourable trade balance of $4,564,462,410 Canada accounts for $1,306,950,513.

I submit that the ex-Minister of Finance ought to have left a clearer impression on the minds of hon. gentlemen in regard to the whole question of trade balances with which he dealt at such length. I am not going to clear up the confusion he left in that regard, but I shall bring to the attention of the House a document which does in a measure clarify the matter: I refer to the second volume of the report submitted by the commission that investigated the subject of the high cost of living, which report was published in 1915. This volume was compiled or prepared by our present Dominion statistician, Mr. R. H. Coats, and I think it is a wonderful tribute to that gentleman's knowl-

edge and industry and insight. I only wish that the ex-Minister of Finance (Sir Henry Drayton) were in his seat, because I would like to direct his attention and the attention of the House to a section of this report, beginning at page 887, entitled "General Economic Conditions in Canada 1900-13." It is a fairly exhaustive examination of Canada's trade and industry during that period. I call special attention to the summary on page 906. First, we have the exports, amounting to $4,031,400,000. Then we have deductions from the exports; and I hope that hon. members who talk so glibly about favourable and unfavourable balances of trade, and

6 a.m. who apparently have such a lack of information on the whole question of trade, will listen to this and note the deductions which must be made in this case from the sum total of the co-called exports, as follows:

Interest	$1,488,000,000
Remittances to friends	150,000,000
Tourist expenditures	150,000,000
Emigrant expenditures	245,000,000
Insurance payments	117,000,000
Freight	60,000,000
Call money outside Canada ..	35,000,000
Total	$2,245,000,000

Deducting that from the total exports, we have net exports, of $1,786,400,000. Now we come to the imports, which we find total $5,359,700,000. And the following are the deductions that must be made from the imports:

Receipts from immigration..	$ 650,000,000
Tourists in Canada..	140,000,000
Remittances to friends..	50,000,000
Insurance payments to Canada.. ..	20,000,000
Total..	$ 860,000,000

Making these deductions our net imports are found to be $4,499,700,000. Now, the balance of imports over exports, which is ordinarily described as the net unfavourable balance of trade during that period is $2,713,300,000. And that represents Canada's borrowing during that time.

I have some further evidence which I should like to bring to the attention of the House, particularly to the attention of the ex-Minister of Finance, who ought to know, and who I think does know, enough about these subjects to give the House an intelligible and accurate presentation of the case. I refer to a book which has been recently published dealing with this particular period in the history of Canada and which is entitled:

"Canada's Balance of International Indebtedness 1900-1913: An inductive Study in the Theory of International Trade," by Jacob Viner, Cambridge; Harvard University Press.

Professor Viner I understand has made an exhaustive study of this particular period in Canada's history and has written the already mentioned book on the subject. I have here a review by our Dominion Statistician of this book, and I should like to quote a few sentences from this review in order to draw the attention of hon. members to what I think is a very desirable attitude towards problems of this sort, an attitude which I regret to say I have seen very little of in this House.

Mr. McBRIDE: Mr. Speaker, I would like a ruling on this point. Surely it is against the rules of the House for an hon. member to stand up and read speeches.

Mr. DEPUTY SPEAKER: I understood the hon. member to say he was giving a citation or quotation.

Some hon. MEMBERS: No.

An hon. MEMBER: He is reading his speech.

Mr. DEPUTY SPEAKER: If the hon. member is reading his speech, he has no right to do so.

Mr. GOOD: I think the hon. member for Cariboo (Mr. McBride) and all other hon. members of the House understand that I am making a quotation from a book review. I suggest that it would expedite the proceedings if there was a minimum of interruption.

Mr. PARENT: I suggest that at this hour of the morning the hon. member have leave to put the whole report in Hansard without reading it.

Mr. GOOD: If we had the facility which members of the House of Representatives have in the United States we should be able to save the time of the House and yet place ourselves on record. I understand, however, that that is not permitted here, so I proceed as follows:

In the final analysis Professor Viner places the importations of capital into Canada during the period 1900-1913 at 2,506 millions, as against 2,713 millions of the earlier estimate—

Mr. Coats is here referring to an estimate which he himself made in the volume that I have already mentioned.

—and his statement is probably as accurate as it can be brought without an excessive amount of further research.

Mr. PARENT: What page is the hon. member quoting from?

Mr. GOOD: Page 537 of the quarterly publication of the American Statistical Association, December, 1924.

Mr. PARENT: How many more pages have you to read?

Mr. GOOD: I am going to proceed, Mr. Speaker:

In part II, Professor Viner treats of the adjustment of the general price level and of the currency and banking systems of Canada to the above-mentioned heavy importations of capital. In other words, he shows how the capital represented in the adverse trade balance entered Canada in the form of goods. It is in this section that he has especially broken new ground, and if his treatment is still short of finality, he has organized materials and outlined a method that will be permanently valuable. His chapters on Canadian exchange and gold movements and on the operations of the Canadian banks in the adjustment of the trade balance are a clear exposition of a process that is popularly but little understood even in Canada, especially in its theoretic aspect. The gold movement into and from Canada is a matter wholly of banking and currency, the cash reserves of the banks and the government reserves against Dominion notes being its leading index.

Now, what I wanted to do in this connection was to direct the attention of the ex-Minister of Finance, who unfortunately is not here, and the attention of members of the House, to what I regard as the proper way of approaching the discussion of problems of this sort. In this connection I should like to again express my appreciation of the valuable services of our Dominion Statistician. It seems to me there is very little disposition in several quarters to make use of the experts we have or to secure experts in the departments where none are now available; and I shall refer to one particular matter in this connection shortly.

In concluding my reference to this question of international trade, and having specially in mind the attitude of and the arguments advanced by the ex-Minister of Finance, I should like to quote the following from Sir George Paish which I find in an extract from the Western Producer, Saskatoon, of April 2, of this year:—

"People have not yet realized,"said Sir George Paish, the noted financier, speaking in Winnipeg lately, "that the object of selling is not to get money or gold which are valueless, except as a medium of exchange with which to buy goods. We sell in order to buy, and for no other reason.

"Canada, along with the other nations of the world, must realize that she cannot sell the agricultural and dairy products, which she is so well equipped to produce, if she is not prepared to buy the goods of other nations. If she does not accept these goods, she must do what the United States has done, and in doing has almost ruined the world That is, to refuse to buy the goods of other nations, accepting only gold in payment. The United States has that gold, and now finds that it can not use it."

Mr. MACDONALD (Pictou): Mr. Speaker, I rise to a point of order. My hon. friend is reading material that he has already put on record in the committee on Banking and Commerce. I can hardly understand why he should do that at this hour of the morning unless it is purely for obstruction purposes.

Mr. GOOD: Mr. Speaker, I am astonished at the statement of the Minister of National Defence (Mr. Macdonald, Pictou). It is absolutely erroneous. I have not referred to or read any of these extracts in any committee of this House either this year or any other year, and I am not obstructing the business of the House. I know the minister is indifferent to the argument I am presenting, but I am presenting it not to him but to the people of Canada, and I exercise my right in so doing.

Mr. MACDONALD (Pictou): Does my hon. friend expect the House to listen to him at this hour?

Mr. SPEAKER: Order. I do not see that the hon. member who has the floor is obstructing the debate, and I would point out that no hon. member has the right to state that another hon. member is obstructing the business of the House. I think the hon. member for Brant (Mr. Good) is proceeding on right lines.

Though it is early in the morning, the hon. gentleman has had no chance to address the House before. He is entitled to address the House, provided he does it regularly.

Mr. MACDONALD (Pictou): He has had five weeks' chance.

Mr. GOOD: I would like to know who is obstructing just now. Mr. Speaker, I think that the problems confronting the Canadian people at the present time are very serious indeed, and after being here four years I must confess to a sense of deep disappointment at the method of approach to our serious problems. I want to say a word or two in that connection before I deal with the main topic of my remarks.

I am tempted, Mr. Speaker, to refer to an incident that occurred in my own experience when I was younger than I am now, and which I think illustrates the situation very well. I beg to assure you that the incident I shall narrate is absolutely authentic and accurate. There was in our neighbourhood when I was a young man an old man who used to do odd jobs around the countryside, and he frequently worked for my father, particularly in the fall of the year. I remember on one occasion we had a cow in the stable that was ailing somewhat, and I took the old man in to seek his advice. I thought perhaps he might give some suggestion as to what ought to be done for the cow. As soon as he had seen the animal he stated with the utmost assurance that he knew the

disease very well. It was "hollow horn and wolf in the tail." I am not inventing the story; it is an actual fact. He said, "I can cure it. Get me some pepper and salt." I got him some pepper and salt, and he mixed them together, and then taking out his jackknife cut a slit in the skin of the tail, and opening the skin up a little inserted the pepper and salt, and then closed up the wound. He told me with the utmost assurance and with the utmost confidence and sincerity that that was the cure for that particular disease, and that I need not worry about the outcome. Well now, Mr. Speaker, I must confess to the feeling that we are dealing with an ailing Canadian economic life pretty much as the old man dealt with that cow, and I suggest the propriety of altering our attitude of mind and our methods towards a number of these problems that are vexing and worrying us, and which, unless we solve them, are going to bring us to catastrophe. In particular, I want to say that I deplore the party spirit and party politics as I see them exhibited in this House. So far as the consumption of time goes, so far as futility and aimless effort goes, I attribute a great deal to what may disgust the House and may disgust the country to the prevalence of partisanship. I am told that the House now is better than it used to be; I do not know as to that but I do think and I want to submit now that if we could cast our party affiliations to the winds and get down to study questions on their merits and vote on them on their merits, regardless of who makes the suggestions, regardless of what is the attitude of this party or of that, we would be nearer a solution of our difficulties than we are at the present time. Here we have a party in power,—so-called "in power"—facing an election in the near future, and a party in opposition facing an election. So far as I am concerned I confess to a disbelief in the whole theory of partisan government. That is my growing conviction from observation in this House. I may be all wrong. I am not going into the question of constitutional methods now. I may deal with that question in the future, but not now; but I do think there is a vast amount of useless party warfare—though perhaps interesting, entertaining—across the floor of this House, because we have one party in power and one in opposition, and the opposition wants to get into office, and the government wants to stay in. Now I submit in all seriousness, that there is the strongest possible temptation to subordinate the national welfare to the welfare of parties and of individuals under this system. I need only point to the applause which greets a clever attack, daring thrusts, shrewd defence. It is easy enough to arouse the fighting spirit; everybody knows that. It is often inevitable. But I submit, it is rarely helpful in connection with matters of this sort. We develop a good deal of hysteria in connection with our public life, and particularly in connection with our party discussions, and I want to refer to a sample of it. I presume the members on the government side will applaud this, because it has to do with the official opposition. Here is a statement which was made by the right hon. leader of the opposition—I wish he were here at the moment—published in the campaign literature of the Conservative party during the campaign of 1921:

> If this Government should be defeated—and whatever you think to-day, you will not have much fear of its defeat if you wait three, four, or six or ten months from now—if this Government should go down, I say here that the party that would be in office would be dominated by the men who, inspired by class consciousness, driven by agitation, led astray by distance from the real facts, have swallowed this principle of free trade. They would be in the ascendancy, along with those who are ready to take hold of free trade, or Sovietism, or semi-Sovietism, or Redism, or anything else, in order to hurl down any Government in power. That is the class who would dominate the Administration if the present Government were defeated, and every single element of that class is a wrecker and a puller-down, and could never do anything to take us forward or upward.

If the right hon. gentleman were here, I would ask him now if he is not ashamed of making a statement of that sort in a public campaign. I cite it now as a sample of the hysteria, the folly, to which we are led in our party warfare, and as one of the reasons why I dislike and disapprove of the whole idea that seems to underlie what many people pride themselves on describing as the British constitutional method of responsible government.

Our problems are not to be solved by these methods, and I am afraid the seriousness of the situation will soon begin to force upon us a more co-operative spirit. There must be more dispassionate study, more open-mindedness, greater absence of partisanship. The problems awaiting solution are not to be solved by slamming one another, but by grappling with error, overcoming ignorance and striving to know the truth. There is a saying in the Good Book "Ye shall know the truth and the truth shall make you free." What is Liberalism if it is not an exaltation of freedom? And freedon of the proper kind certainly depends upon liberation from error and ignorance. I believe in Liberalism and I call myself a Liberal, but that does not mean that I necessarily adhere to or vote for the so-called Liberal party which is often illiberal in its attitude towards public questions.

I have already referred to the very admirable study of the question of international trade in this volume under my hand and I have suggested that we ought to make a greater use of experts in the study of our economic problems. There is a disposition to scoff at academic persons. I take it—if I may refer again to the story which I told a few minutes ago—that the old man mentioned probably prided himself that he had never read anything. He would be ashamed, I fancy, to be caught reading a book. He was a "practical" man, a very "practical" man—a man who prided himself on his practicalness—and I find in this House, I think, if I may make a personal reference without giving offence, that the Acting Minister of Finance prides himself on being a "practical" man. The old man who doctored the cow had some experience. He was an old man and had lived a long time, while I was a young man; therefore he ought to have known more than I did. I do not like to find a minister of the crown, making reflections upon people who have given a lifetime of study to matters which perhaps the hon. minister has not had time to study; I do not blame him for not understanding some of these things. I have in mind a certain statement made by the Acting Minister of Finance not so long ago, and I submit to the House it is an attitude of mind that no minister of the crown ought to find satisfaction in expressing. As a matter of fact the academic man, while he may be wrong, has a pretty good chance of being right. He is removed from the warping influence of financial interest as a rule far more than most of us, far more than politicians, and far more than business men. Why should we scoff at economists as theorists? I will read the following from "The Mind in the Making," a book by Professor James Harvey Robinson of New York:—

> On the 28th of October, 1831, three hundred and fifty years after Galileo had noticed the isochronous vibrations of the lamps, creative thought and its currency had so far increased that Faraday was wondering what would happen if he mounted a disk of copper between the poles of a horseshoe magnet.

This is a reference to what led Galileo to study the solar system.

An hon. MEMBER: Why not read the whole library.

Mr. SPEAKER: I would ask hon. gentlemen not to interrupt the hon. member. He is a fair debater and he is entitled to a fair hearing from the House.

Mr. GOOD: Let me continue reading:

> As the disk revolved an electric current was produced. This would doubtless have seemed the idlest kind of an experiment to the staunch businessmen of the time—

[Mr. Good.]

Mark you, Mr. Speaker and hon. gentlemen, this is applicable to the situation in this House.

> This would doubtless have seemed the idlest kind of an experiment to the staunch businessmen of the time, who, it happened, were just then denouncing the child-labour bills in their anxiety to avail themselves to the full of the results of earlier idle curiosity. But should the dynamos and motors which have come into being as the outcome of Faraday's experiment be stopped this evening, the business man of to-day, agitated over labour troubles, might, as he trudged home past lines of "dead" cars, through dark streets to an unlighted house, engage in a little creative thought of his own and perceive that he and his labourers would have no modern factories and mines to quarrel about had it not been for the strange practical effects of the idle curiosity of scientists, inventors, and engineers.

An hon. MEMBER: That is interesting.

Mr. GOOD: Yes, and if my hon. friend will take it to heart it ought to be more than interesting, it ought to be edifying. Now, Mr. Speaker, I submitted on a previous occasion in this House that our Department of Finance, one of the most important departments in the public service, one that is concerned with the whole problem of taxation and the problem of securing and expending revenue—particularly securing revenue—having charge of all the financial operations of this government, is without a single expert, without a single man who has anything but a mere routine knowledge of this whole question. The Acting Minister of Finance is too busy, he has not had the opportunity of acquiring the knowledge. I am not blaming him for his admitted ignorance on many of these matters that he ought to know about, or somebody in the department ought to know about.

Mr. MARLER: May I interrupt? Is my hon. friend taking the Acting Minister of Finance to task for ignorance of financial matters? Does he say the officers of the Department of Finance have no knowledge of financial affairs? It is rather a broad statement.

Mr. GOOD: I am quoting the remarks of the Acting Minister of Finance (Mr. Robb) in a previous debate. The hon. member can refer to it if he likes.

Mr. MARLER: What debate is it?

Mr. GOOD: It is the debate on the motion of the hon. member for Centre Winnipeg (Mr. Woodsworth.) Last year I had some hope—and I refer now to the question of the proposed tariff board—that the government might have in contemplation the creation of some commission or committee to study not tariff schedules, which are superficial things, but the

whole question of the incidence of taxation. That is a matter I dealt with at some length myself in my address on the budget last year. I have not heard anybody refer to it, either in commendation or otherwise, but I was hoping last year that we might see the inauguration of some sensible method of approach to these problems, and that our partisan discussion in this House year after year, for years and years, consuming days and weeks and months of time might be avoided. But I am charged now with obstruction. I say that these partisan methods we have been following have the effect of obstructing the business of the House and the business of the country.

I refer to this particular matter, because I was hoping—and I think it was in the mind of the Prime Minister at all events—that we might get something really worth while out of the study of methods of taxation. Apparently that has gone to the wind, and we have now a proposal to create a board which, so far as I can make out, will have nothing to do but to study tariff schedules and their effects. I submit this—and I do it very briefly as I did last year—that the more important question is to decide upon right principles of taxation. What is a just system of taxation and what is an unjust system of taxation? That is a very important question. We do not study it here. To some extent, perhaps, we discuss it in this House, but here is a proposal brought down last year and again brought down this year by the government for the creation of a tariff board. If I felt that that board was going to be properly constituted, and would devote itself not merely to the study of tariff schedules but rather to the principles of taxation and the kind of taxation that would be best from the standpoint of justice and economy, I would support the proposal warmly. If any such proposal can be brought down to the House I will support it, but I am not going to support the proposal to create a board merely to look over tariff schedules and make recommendations or give advice to the department in that connection. I tell you, Mr. Speaker, that this government and other governments unfortunately do not consult men who are relatively free from influence by special interests. Whom do they consult, or who comes to make representations to the government in connection with tariff matters? Special interests—those who are benefited I think all this must be changed. I had more to say on this point but I am going to cut some of my remarks short, which I know will be appreciated by hon. members and give some satisfaction to those present.

Mr. MACDONALD (Pictou): Does my hon. friend think the government should consult him in regard to these matters before they are brought down?

Mr. GOOD: If I may answer the question of the Minister of National Defence, I say that I think I have given more study, at least more independent study uninfluenced by reason of any financial interests, than many of the business men who come here to make requests of the government.

Mr. MACDONALD (Pictou): My hon. friend has read a lot to tell us what the books say; but he does not give us his own opinion.

Mr. GOOD: I have my opinions and have expressed them frankly on the floor of the House, and intend to do so as long as I am here.

The next matter I want to present is a summary, or a concise statement, of the protectionist philosophy. I remarked at the outset that I proposed to deal mainly with the question as to why the free trade argument had gained so little support and why the protection argument had gained so much support, and I think that ought to be of some interest to my Conservative friends. I am going to make this statement as brief as I can, and I have therefore written out my remarks in the main, so that I can be concise. I am going to state what I regard as the essential philosophy of the free trade versus protection controversy.

I think in the first place we should earnestly answer the question, should legislation be in the interests of the people generally or be in the interests of the minority of the people? If in the interests of the people generally, which is best for society, abundance or scarcity?

I am quite prepared from the standpoint of theology, morals and so on, to say that hardship and misery and pain and trouble may sometimes be a wholesome chastener, but I submit on the whole we agree—and there will be very little dispute in regard to my statement, that the aim of a sound national policy should be to secure abundance rather than scarcity: that is to say, a maximum of useful commodities, and services. Do I find anybody disputing that statement? And yet is not the policy of scarcity widely preached? We have our Conservative friends constantly declaiming against dumping, which gives us cheap goods. They talk about inundating this country with the products of cheap labour. Abundance is decried. There is talk about over-production on every hand. On every hand we find a direct or indirect criticism of

the philosophy of abundance. Why this enigma?

Consider the individual man in modern society. He grows richer in proportion to the return for his labours, this depending largely on the price he can get for his services or the product of his labours.

And on what does price depend? Very largely upon scarcity. Therefore we conclude that in the case of an individual producer, scarcity enriches him, provided of course that this scarcity does not equally affect his own labour products. Applying the same reasoning successively to all producers, we construct the theory of scarcity and proceed to apply it by raising prices artificially through tariffs and so forth.

We may argue in like fashion as to abundance. When any product is plentiful, it sells at a lower price, and therefore the producer gets less. If all producers are in the same situation, they all lose. Therefore, it is abundance that ruins society.

Now, what is wrong with the argument? Simply this: It ignores the fact that man is consumer as well as producer, and the foregoing reasoning considers him only in the latter role.

As a producer, a man may become richer by reason of scarcity. He may take advantage of other people's needs. But as a consumer he benefits by abundance, because then he buys things cheaper. By extending this reasoning to all consumers, we arrive at the theory of plenty.

If, therefore, we consider the selfish interest of men as producers, we arrive at one conclusion: whereas, if we consider their interests as consumers, we arrive at the opposite conclusion. And this is natural, because as sellers we have an interest in dearness, and therefore in scarcity. But, as buyers, our interest is in cheapness and abundance.

Now, on which theory, that of abundance or that of scarcity, should public policy be based? I should like sincerely to submit this to my Conservative friends. The question is not an idle or a fantastic one. It is a burning one which confronts or ought to confront every finance minister when he is preparing his budget proposals. Nor can it be airily dismissed or lightly answered. Let us examine this matter and try to answer the question.

If a man consumed all he produced; if he did not exchange the products of his labours for the products of the labour of others, there could be only one answer: Abundance would be advantageous. It would be perceived at once that labour is a means, not an end, and that anything that would save labour would conduce to progress and prosperity. Take the case of any farmer working for himself on his own farm. What an absurd thing it would be for him to argue in favour of or follow any policy that would lead to scarcity. Every labour saving device he could apply, anything by which he could economize, would certainly be to his advantage. But, with the division of labour, with exchange, with diversification of employment, the situation becomes complicated. In relation to any particular commodity, two interests are created and these are directly opposed to each other.

Take the case of any producer. His immediate selfish interest lies in having the fewest possible producers in his line, and the greatest possible number of consumers. Supply limited, demand great, and up goes the price. But the immediate interest of the consumer is that supply may be increased relatively to demand, so that prices may fall. Now, as producers, our desires tempt us, and our opportunities enable us, to be anti-social. For example, as farmers we may be interested in and financially benefited by crop failures as long as they do not affect our crops. We may be financially benefited by war as long as it does not affect our farms. We may profit by the sinking of vessels, as occurred during the war, so long as our crops are not involved. If we are carpenters, masons or builders, we may be benefited financially from devastating fires or earthquakes. As lawyers we may be benefited financially by the growth of quarrels and litigation. I quote a sentence from the old French writer, Montaigne, in this connection. He said:

> The shopkeeper thrives only by the irregularities of youth; the farmer by the high price of corn; the architect by the destruction of houses, the officers of justice by lawsuits and quarrels.

Producers are, of course, social in so far as they are efficient workers. For example, if a farmer grows crops above the average because of his superior intelligence or industry, and thereby receives a greater reward for his labour, his personal welfare coincides with that of society generally; but in so far as he gains by price enhancement, he does so at others' expense, and is therefore in this regard anti-social. The fact is that, as producers, some of our activities are social and some anti-social.

But when we come to consider the immediate interest of the consumer, we find that it is in perfect harmony with the general interest. As consumers, our interests are practically identical. We all want food, clothing,

housing, and many other necessaries and comforts. Though we may be divided into a hundred different occupations as producers, we all spend what money we earn through these occupations pretty much in the same way. As consumers, we desire to see the markets well supplied. We welcome good crops and labour-saving machinery. We rejoice in rapid and easy means of transportation and communication. We may indeed as consumers push our desires to an absurd length, without having them become antagonistic to the public welfare. Were we able to obtain necessaries and comforts of life as freely and as easily as the air we breathe, there would be nothing therein incompatible with the general interest, since all consumers would be equally benefited.

Public policy ought therefore to be based on the interests of people as consumers, rather than upon their interests as producers.

The Prime Minister went up and down this country not long ago, I think in 1921, claiming that he was going to protect the consumers. I submit to him and to the government, and particularly to the Conservative party that the interest of the consumer should be the basis of public policy. May I state again?—Public policy ought to be based on the interests of people as consumers, rather than upon their interests as producers. Only thus can it serve the general welfare and conform to the motto: "The greatest good to the greatest number." The protectionist, therefore, lands in this dilemma: Protective tariffs produce scarcity, or they do not. If they do, then general injury is inflicted. If they do not, then supply is not restricted and the producer does not gain. They are either harmful or useless. I am prepared to admit that there are conditions—and I shall refer to them later—under which this argument does not apply, or applies only to a limited extent. I had intended to read to the House in this connection an extract from a book which I referred to last session entitled Fallacies of Protection, by Frederic Bastiat, a Frenchman who wrote in the forties of last century.

An hon. MEMBER: Put it in Hansard.

Mr. GOOD: I should be pleased if I could obtain the permission of the House to put on Hansard a certain quotation from this book, but I presume that would be out of order. I quoted part of it last year and I intend to quote the whole of it this year.

An hon. MEMBER: Not the whole book.

Mr. GOOD: The whole of this particular section. I should like to have this printed in Hansard, but I cannot insist upon it. It may be out of order. I shall be compelled to read it or to drop it.

Some hon. MEMBERS: Read it.

Some hon. MEMBERS: Drop it.

Mr. GOOD: I get requests from one side to read it and from the other side, to drop it. I am going to read it as it is early yet.

Mr. LOGAN: Put it on Hansard.

Mr. GOOD: I would if I could.

Mr. LOGAN: Nobody is objecting.

Mr. GOOD: May I put it on Hansard without reading it?

Mr. SPEAKER: By unanimous consent.

Mr. McBRIDE: Do I understand that the hon. member is going to put the whole book on Hansard?

Mr. GOOD: Just one little section as my hon. friend can see.

Mr. SPEAKER: I understand that, by unanimous consent, the hon. gentleman can place this extract on Hansard.

Mr. GOOD: I am desirous of saving all the time of the House that I can without destroying the force of my argument. The extract is as follows:

Chapter VII.—Petition of the Manufacturers of Candles, Wax-Lights, Lamps, Candlesticks, Street Lamps, Snuffers, Extinguishers, and of the Producers of Oil, Tallow, Resin, Alcohol, and, Generally, of Everything Connected with Lighting.

To Messieurs the Members of the Chamber of Deputies.

Gentlemen,—You are on the right road. You reject abstract theories, and have little consideration for cheapness and plenty. Your chief care is the interest of the producer. You desire to protect him from foreign competition, and reserve the national market for national industry.

We are about to offer you an admirable opportunity of applying your—what shall we call it?—your theory? No; nothing is more deceptive than theory—your doctrine? your system? your principle? But you dislike doctrines, you abhor systems, and as for principles you deny that there are any in social economy. We shall say, then, your practice—your practice without theory and without principle.

We are suffering from the intolerable competition of a foreign rival, placed, it would seem, in a condition so far superior to ours for the production of light that he absolutely inundates our national market with it at a price fabulously reduced. The moment he shows himself our trade leaves us—all consumers apply to him; and a branch of native industry, having countless ramifications, is all at once rendered completely stagnant. This rival, who is no other than the sun, wages war to the knife against us, and we suspect that he has been raised up by perfidious Albion (good policy as times go); inasmuch as he displays towards that haughty island a circumspection with which he dispenses in our case.

What we pray for is, that it may please you to pass a law ordering the shutting up of all windows, skylights, dormer-windows, outside and inside shutters,

curtains, blinds, bull's-eyes; in a word, of all openings, holes, chinks, clefts, and fissures, by or through which the light of the sun has been in use to enter houses, to the prejudice of the meritorious manufactures with which we flatter ourselves we have accommodated our country—a country which, in gratitude, ought not to abandon us now to a strife so unequal.

We trust, gentlemen, that you will not regard this our request as a satire, or refuse it without at least previously hearing the reasons which we have to urge in its support.

And, first, if you shut up as much as possible all access to natural light, and create a demand for artificial light, which of our French manufactures will not be encouraged by it?

If more tallow is consumed, then there must be more oxen and sheep; and, consequently, we shall behold the multiplication of meadows, meat, wood, hides, and, above all, manure, which is the basis and foundation of all agricultural wealth.

If more oil is consumed, then we shall have an extended cultivation of the poppy, of the olive, and of rape. These rich and exhausting plants will come at the right time to enable us to avail ourselves of the increased fertility which the rearing of additional cattle will impart to our lands.

Our heaths will be covered with resinous trees. Numerous swarms of bees will, on the mountains, gather perfumed treasures, now wasting their fragrance on the desert air, like the flowers from which they emanate. No branch of agriculture but will then exhibit a cheering development.

The same remark applies to navigation. Thousands of vessels will proceed to the whale fishery; and in a short time we shall possess a navy capable of maintaining the honour of France, and gratifying the patriotic aspirations of your petitioners, the undersigned candle-makers and others.

But what shall we say of the manufacture of articles de Paris? Henceforth you will behold gildings, bronzes, crystals, in candlesticks, in lamps, in lustres, in candelabra, shining forth, in spacious warerooms, compared with which those of the present day can be regarded but as mere shops.

No poor resinier from his heights on the seacoast, no coal miner from the depth of his sable gallery, but will rejoice in higher wages and increased prosperity.

Only have the goodness to reflect gentlemen, and you will be convinced that there is, perhaps, no Frenchman, from the wealthy coalmaster to the humblest vendor of lucifer matches, whose lot will not be ameliorated by the success of this our petition.

We foresee your objections, gentlemen, but we know that you can oppose to us none but such as you have picked up from the effete works of the partisans of free trade. We defy you to utter a single word against us which will not instantly rebound against yourselves and your entire policy.

You will tell us that, if we gain by the protection which we seek, the country will lose by it, because the consumer must bear the loss.

We answer:

You have ceased to have any right to invoke the interest of the consumer; for, whenever his interest is found opposed to that of the producer, you sacrifice the former. You have done so for the purpose of encouraging labour and increasing employment. For the same reason you should do so again.

You have yourselves obviated this objection. When you are told that the consumer is interested in the free importation of iron, coal, corn, textile fabrics—yes, you reply, but the producer is interested in their exclusion. Well, be it so; if consumers are interested in the free admission of natural light, the producers of artificial light are equally interested in its prohibition.

But, again, you may say that the producer and consumer are identical. If the manufacturer gain by protection, he will make the agriculturist also a gainer; and if agriculture prosper, it will open a vent to manufacturers. Very well; if you confer upon us the monopoly of furnishing light during the day, first of all we shall purchase quantities of tallow, coals, oils, resinous substances, wax, alcohol—besides silver, iron, bronze, crystal—to carry on our manufactures; and then we, and those who furnish us with such commodities, having become rich will consume a great deal, and impart prosperity to all the other branches of our national industry.

If you urge that the light of the sun is a gratuitous gift of nature, and that to reject such gifts is to reject wealth itself under pretence of encouraging the means of acquiring it, we would caution you against giving a death-blow to your own policy. Remember that hitherto you have always repelled foreign products, because they approximate more nearly than home products to the character of gratuitous gifts. To comply with the exactions of other monopolists, you have only half a motive; and to repulse us simply because we stand on a stronger vantage-ground than others would be to adopt the equation $+ \times + = -$; in other words, it would be to heap absurdity upon absurdity.

Nature and human labour co-operate in various proportions (depending on countries and climates) in the production of commodities. The part which nature executes is always gratuitous; it is the part executed by human labour which constitutes value and is paid for.

If a Lisbon orange sells for half the price of a Paris orange, it is because natural, and consequently gratuitous, heat does for the one what artificial, and therefore expensive, heat must do for the other.

When an orange comes to us from Portugal, we may conclude that it is furnished in part gratuitously, in part for an onerous consideration; in other words, it comes to us at half-price as compared with those of Paris.

Now, it is precisely the gratuitous half (pardon the word) which we contend should be excluded. You say, How can national labour sustain competition with foreign labour, when the former has all the work to do, and the latter only does one-half, the sun supplying the remainder? But if this half, being gratuitous, determines you to exclude competition, how should the whole, being gratuitous, induce you to admit competition? If you were consistent, you would, while excluding as hurtful to native industry what is half gratuitous, exclude a fortiori and with double zeal, that which is altogether gratuitous.

Once more, when products such as coal, iron, corn, or textile fabrics are sent us from abroad, and we can acquire them with less labour than if we made them ourselves, the difference is a free gift conferred upon us. The gift is more or less considerable in proportion as the difference is more or less great. It amounts to a quarter, a half, or three-quarters of the value of the product, when the foreigner only asks us for three-fourths, a half, or a quarter of the price we should otherwise pay. It is as perfect and complete as it can be, when the donor (like the sun in furnishing us with light) asks us for nothing. The question, and we ask it formally, is this: Do you desire for our country the benefit of gratuitous consumption, or the pretended advantages of onerous production? Make your choice, but be logical; for as long as you exclude, as you do, coal, iron, corn, foreign fabrics, in proportion as their price approximates to zero, what inconsistency it would be to admit the light of the sun, the price of which is already at zero during the entire day!

I have also a very short quotation dealing with the same subject that I should like to quote from a very interesting book by a Belgian named Henri Lambert, who was quite conspicuous during the war. The title of the book is Pax Economica. It is a study of the relationship between international trade and international peace, and I think that is an important subject. I quote the following short extract from this book; page 37:

To deny the benefits of international exchange—and consequently of free exchange—is, in fact, to deny the advantages of division of labour and the increase in productiveness resulting therefrom. It is, therefore, to deny that which is evident. A country which determines to be self-supporting must resign itself to an inferior productivity and standard of wealth. If such a country continues to prosper, it will be by reason of natural advantages, because of high intelligence and labour energy of its inhabitants; because of interior free exchange, and despite its efforts to be self-sustaining.

Now I pass on to the next section of my argument. If the protectionist philosophy and argument are so completely discredited, how comes it that protection has had and continues to have such a strong hold on the world? That is an interesting question and one of paramount importance and I propose to submit for the consideration of hon. members some reasons why, despite the logical discrediting of the protective philosophy, it yet has such a hold upon people generally. The motion my right hon. friend the leader of the opposition (Mr. Meighen) has on the order paper declares what is an obvious fact, that the protective system is widely extended and is very popular. I do not deny that. I want to examine why, in the face of so many good reasons against it, it is so popular. The causes of this condition I shall enumerate. In the first place, the benefits of protection are localized and concentrated while the losses are widely diffused. On this point I desire to read one paragraph from Henry George's book Protection or Free Trade which I commend to the House:

Those who are specially interested in protective tariffs find it easy to believe that protection is of general benefit. The directness of their interest makes them active in spreading their views, and having control of large means—for the protected industries are those in which large capitals are engaged—and being ready on occasion, as a matter of business, to spend money in propagating their doctrines, they exert great influence upon the organs of public opinion. Free trade, on the contrary, offers no special advantage to any particular interest, and in the present state of social morality benefits or injuries which men share in common with their fellows are not felt so intensely as those which affect them specially.

I commend that to my Conservative friends as a very cogent and clear statement of an obvious fact. Let me give an example to illustrate the point further. Suppose we consider the tariff on boots and shoes, in which the Minister of Justice (Mr. Lapointe) is so much interested, or at least in which he is stated to be so interested. Suppose that through a tariff on these articles a certain manufacturer stands to gain $25,000 a year; and suppose that by virtue of the same tariff the consumers of boots and shoes stand to lose $50,000 a year. Divided among 200,000 consumers that would represent a loss of 25 cents each. Now, the individual consumer would likely say that this was a trifle about which he would not worry. The consumers are unorganized and a loss of 25 cents each probably would not occasion any great concern among them. But $25,000 a year to one man is a considerable sum and he would naturally fight for it; he would contribute to party campaign funds and so get his quid pro quo. That is an illustration of the truth that has been so well stated by Henry George in the extract I have read.

7 a.m.

I should like also to submit a very interesting editorial from the Montreal Witness which appeared a few years ago, during the 1921 election campaign, I think.

WHERE IS THE CONSUMER?

It is related that once, in the long departed golden age of the world, it was agreed among mankind that they should all shout at the same moment. It was thought that thus the sound might reach the moon, and provoke some response from the inhabitants of that sphere. The time for the universal shout arrived, the moment when the tremendous clamor should burst forth. What happened? Nothing! A woman in Norway and a boy in Spain were the only two who opened their mouths. All the rest were listening.

Something of this kind has overtaken the consuming multitude in Canada as regards the sittings of the Tariff Commission. The manufacturers are there. They sit in a row outside the rail—lumber, cloth, boots, pickles, glass, reapers, cement—waiting their turn. As one sits down the next jumps to his feet. But where are the millions whose daily toil is burdened to provide the prosperity these gentlemen cherish so devoutly?

Can no labourer be pried loose from his spade for an hour or so to tell the commission that these well-fed producers are all riding on his shoulders? His hat, his boots, his braces, his socks, his overalls, the spade he wields, the material and furniture of his narrow apartment, are just so many pipe-lines from his lean purse to their fat pocket books. He cannot enter a store but they accompany him. No purchase of his is so small but they take part of the money he lays down. And they attend the session of the Tariff Commission to complain that if the labourer did not support them they would starve to death.

Alas, the consumer is so numerous that he is anonymous. Unorganized, scattered, hard-worked, with no funds wherewith to buy legal brains and literary skill, he perseveres at his digging. And so the country is delivered from the havoc and devastation of a lowered tariff and the gentlemen manufacturers are saved from starving to death.

Let me now submit again this consideration, that public policies on tariff matters should be based on the interests of consumers and not on the interests of producers; that is the only basis on which we can reconcile the interests of all the people as citizens.

My second reason is this: that the protectionist appeal is directed to local or personal selfish interests. This to some extent overlaps on the preceding reason, but I should like to direct the attention of the House in that connection to the obvious fact that very often producers get an exaggerated notion of the benefits of protection. For instance, it is not the total nominal protection which ought to interest any producer, from his own selfish point of view; it is the net protection. Indeed the ex-Minister of Finance (Sir Henry Drayton) in his address some time ago pointed out to the House that certain brass manufacturers had a protection of 10 per cent while they had to pay an extra price, owing to a tariff of 15 per cent on their raw materials, and he justly claimed that their net protection had vanished. Our protectionist friends are going to go around the country making campaign promises of this, that and the other thing to each individual community. The appeal will be an appeal to the selfish interests of the particular community or industry, and they are going to forget or ignore the fact, as their listeners will forget or ignore the fact, that protection given in one locality will nullify the protection given in another. I seriously commend that to the consideration of my hon. friends. If I take any part in the campaign I shall call the attention of the electors to the fallacy of that argument, and I can point to the ex-Minister of Finance himself as elucidating that principle, in his address. Take it in connection with the manufacture of tin plate and of tin cans, a very important industry in this country in connection with fruit growing. If my Conservative friends are going to offer protection to the manufacturer of tin cans, say, to the extent of 30 per cent, and the same to the manufacturer of tin plate, what will happen to the first offer? It will be pretty well in the nature of a gold brick, I take it.

We have heard for many years that famous phrase, "Adequate protection to all Canadian industries." One of the first political meetings I attended was addressed by Sir Robert Borden, and that was his stock phrase, his catchword on that occasion. It is a very plausible, a very attractive slogan, but what is there in it when you come to analyze it coldly and dispassionately? What would it really be like if we had "adequate protection" for all Canadian industry, if the farmers were protected from exploitation by the manufacturers just as much as the manufacturers were protected from exploitation by other manufacturers either inside or outside the country? What benefit would "adequate protection" confer, if it were possible, which it is not? Would it be worth while? I do not see that it would, or that it would confer any benefit upon any industry. I have had in my mind for many years this picture of "adequate protection to all Canadian industry": I picture a ring of snakes each swallowing the other by the tail at the same rate. We must postulate that each snake starts at the tail of the one in front and swallows at the same rate so that none has any advantage over the other. What is going to happen? Will hon. members use their imagination? Then they will see a stoppage in the process at some time or other. That is just about what adequate protection to all Canadian industry would be like if it were possible. But it is not possible. I appeal to my Conservative friends, can they protect local industry; can they protect the farmer, the wheat grower when he exports the great bulk of his products? Can they protect half the industries of Canada? Let them start out to apply this plausible catchword, this attractive policy, to Canadian industry, and what is going to be the result? Simply that the fellows that can pull the wires best are going to get the plums. The leader of the opposition when he comes to debate his motion is going to claim that he can protect the farmer, can protect everybody; but I say he cannot do it, and if he could do it, it would be useless to all concerned.

Now, my third reason is as follows: Protection develops into economic militarism. I want to submit to the House in that connection a concise expression of opinion from an English economist, J. A. Hobson, in his book, Democracy After the War. I quote:

> The explanation lies in the opposition between the interests of certain classes within each nation and the welfare of the nation as a whole, and in the ability of these classes to impose their class interests upon the statecraft of their country. Protection is a bad policy for a nation. It diminishes its total output of wealth, distributes it unfairly, imposes a secret, onerous and wasteful method of taxation, breeds political corruption, establishes monopolies and provokes illwill and quarrels with other nations. But it is a good policy for capitalists in certain well organized industries, who, by their political pressure can frame a tariff that enables them to raise their prices and increase their profits at the expense of the weaker industries, and the consuming public. A part of the illicit profits which it yields can be applied to maintaining and enforcing the political pull and to spreading propaganda representing protection as a sound national and imperial policy. The ill-will which tariffs beget in surrounding nations and the reprisals they evoke go to feet the delusion that trade is fundamentally a form of competition, not of co-operation, and that nations are hostile competitors. The diplomatic and sometimes the military conflicts which ensue from tariff wars confirm this delusion. So protection passes from the position of an unscrupulous scheme of class plunder into that of a patriotic public policy. Finally, giving favouring circumstances, it can be rivetted upon the state as a political and military necessity, for states which

stop the natural courses of trade with neighbours, cripple their development, "steal" their markets, and otherwise inflict economic injuries, live in fear lest the injured interests in these neighbour states may be strong enough to coerce their governments into forcible intervention.

Let me recall in that connection the economic rivalry between Great Britain and Germany prior to the Great war, and the consequence of it. The Germans wanted "a place in the sun"; and what has this nation, and what have other nations sacrificed? I submit, Mr. Speaker, that the protectionist idea, fructifying in that way was largely responsible for that awful world catastrophe. I proceed:

Given a group of powerful states, each controlled in its fiscal and its foreign policy by strong business interests, it is easy to perceive that a generally dangerous situation emerges. Each state, considering the possibility of invasion on the part of a foreign power or group of powers, must look not merely to its forcible but to its economic defences. So a *national economy* of industrial, agricultural and commercial self-sufficiency assumes the guise of a vital policy, and permanent protection is established as its chief instrument. Under these conditions protection becomes an essential feature of national defence, an economic militarism.

I submit to the House, and to the Conservative party in particular, that there is the goal towards which they are heading—international warfare and world catastrophe. They are heading the wrong way, I think their motives are sincere; I am not questioning the sincerity of protectionists at all, many of them are my personal friends, but I say their philosophy is wrong and is heading the world for disaster. Now I come to the main and last point of my argument.

Some hon. MEMBERS: Hear, hear.

Mr. GOOD: I am afraid it will be longer than some of my hon. friends would wish, but I will get through it as quickly as I can. The chief reason why protection has such a hold upon the modern world is that the doctrine of free trade as currently conceived, preached, and applied is hopelessly inadequate to meet the actual needs of present-day society. I will go that far with my Conservative friends, and I will go that far in criticism of some of my friends on the other side of the House, that their current conception of free trade is hopelessly inadequate and hopelessly unable to meet the needs of the present day. I think that the protectionists are making an honest effort in a misguided, ill-advised way to meet an actual need. Let me elaborate that thought.

An hon. MEMBER: Here is another book.

Mr. GOOD: Yes, Mr. Speaker, I shall have to refer to books. Books are my friends, and I would like to feel they are the friends of everyone who wishes to widen his acquaintance in the worlds of place and time.

Mr. LOVETT: Will my hon. friend tell me when he intends to break that new ground?

Mr. GOOD: I am breaking new ground now if my hon. friend could only see it.

An hon. MEMBER: Break it with the Brantford plough.

Mr. GOOD: I am of the opinion, Mr. Speaker, that I might conclude my argument more quickly if I were allowed to quote from this book, which expresses the point more clearly, more emphatically, and more concisely than I could express it. I shall quote from Henry George's book on Protection or Free Trade. The following is from his chapter on The Inadequacy of the Free Trade Arguments:

Free traders usually attribute the persistence of the belief in protection to popular ignorance, played upon by special interests. But this explanation will hardly satisfy an unbiased mind. Vitality inheres in truth, not in error. Though accepted error has always the strength of habit and authority, and the battle against it must always be hard at first, yet the tendency of discussion in which error is confronted with truth is to make the truth steadily clearer. That a theory which seems wholly false holds its ground in popular belief despite wide and long discussion, should prompt its opponents to inquire whether their arguments have really gone to the roots of popular belief, and whether this belief does not derive support from truths they have not considered, or from errors not yet exposed, which still pass for truths—rather than to attribute its vitality to popular incapacity to recognize truth.

I shall hereafter show that the protective idea does indeed derive support from doctrines that have been actively taught and zealously defended by the very economists who have assailed it (who, so to speak, have been vigorously defending protection with the right hand while raining blows upon it with the left), and from habits of thought which the opponents no less than the advocates of protection have failed to call in question. But what I now wish to point out is the inadequacy of the arguments which free traders usually rely on to convince workingmen that the abolition of protection is for their interest.

I had intended to quote somewhat more at length from this chapter, but I will abbreviate the argument.

An hon. MEMBER: Go ahead.

Mr. GOOD: Mr. Speaker, one is tempted to lengthen out the discussion owing to these constant interruptions. I will, however, abbreviate by pointing out that the ordinary free trade argument has reference only to the tendency of free trade. Free trade logically is perfectly sound. It ought to produce certain results; it has a tendency to produce certain results, but there may be things in the road. A stone has a tendency to fall to

the ground but I may hold it up with my hand. And Henry George points out that under certain conditions the natural tendency of free trade is frustrated. Let me read this paragraph from the concluding part of this chapter. He has spoken of the way in which the belief in protection has survived despite all these demolitions. He goes on:

> This may also be inferred from what protectionists themselves say. Beaten in arguments, the protectionist usually falls back upon some declaration which implies that the real grounds of his belief have been untouched——

My hon. friends in the Conservative party, of course, occupy that position:

> —and which generally takes the form of an assertion that though free trade may be true in theory it fails in practice. In such form the assertion is untenable. A theory is but an explanation of the relation of facts, and nothing can be true in theory that is not true in practice. But free traders really beg the question when they answer by merely pointing this out. The real question is, whether the reasoning on which free traders rely takes into account all existing conditions? What the protectionist means, or at least the perception that he appeals to, when he talks in this way of the difference between theory and fact, is, that the free trade theory does not take into account all existing facts. And this is true.
>
> As the tariff question is presented, there are indeed, under existing social conditions, two sides to the shield, so that men who look only at one side, closing their eyes to the other, may continue, with equal confidence, to hold opposite opinion.
>
> And that the distinction between them may, with not entire inaptness, be described as that of exclusively regarding theory and that of exclusively regarding facts, we shall see when we have developed a theory which will embrace all the facts, and which will explain not only why it is that honest men have so diametrically differed on the question of protection vs. free trade, but why the advocates of neither policy have been inclined to press on to that point where honest differences may be reconciled.

Now let me pause to make comment. For years we have had a classic and annual display in this House between protectionists on the one side and those who claim to be leaning towards free trade on the other. Is it not possible that, as both sides are honest, both sides are sincere, both sides are trying to do something for the benefit of the country, yet that one side is looking on one side of the shield as Henry George points out and the other side looking at the other side of the shield. And is it not possible that if they could just turn around and both sides see both sides of the shield there might be a reconciliation? Now, Mr. Speaker, I know the disposition of the House to object to my continuing argument at this hour, but I stated at the outset that I was not responsible for being forced into this position. I do think it is a misfortune that honest men in different parts of this chamber who want to do something for the benefit of Canada should differ so radically on a question of this kind, and I want to submit that in this little book, if hon. members will read it and study it and meditate on it, there is a possibility of finding reconciliation, a possibility of remedying the unemployment difficulty that my hon. friends in the Conservative party are harping so much upon, without applying the remedy they think to be the only remedy. Now, I desire to close as quickly as possible. I read the following final paragraph in the next chapter on The Real Weakness of Free Trade.

[Mr. Good.]

> Trade is a labour-saving method of production, and the effect of tariff restrictions upon trade is unquestionably to diminish productive power. Yet, important as may be the effects of protection in diminishing the production of wealth, they are far less important than the waste of productive forces which is commonly attributed to the very excess of productive power. The existence of protective tariffs will not suffice to explain that paralysis of industrial forces which in all departments of industry seem to arise from an excess of productive power, over the demand for consumption, and which is everywhere leading to combinations to restrain production. And considering this, can we feel quite sure that the effect of abolishing protection would be more than temporarily to increase the production of wealth?

May I submit this again to my protectionist friends. I think, in a measure, that their point of view is right in contending that under certain conditions it is far better to put up with the economic loss involved in tariff protection than to put up with the economic loss involved in unemployment. I think that is a fair statement of the case. I sympathize with their objective if there is no other way of remedying the tragic unemployment that we have—if there is this excess of productive power going to waste all the time, men who want to work standing idle because they cannot get jobs; if there is no other way of remedying that situation then, at least, as a palliative or as an emergency measure, I do not know but that I would support something in the way of state action to stimulate business activity. But I would like to submit to them most humbly but most emphatically that theirs is the wrong way to solve the problem, and I do hope that they will turn their attention to a solution of the problem that will not involve the absurdities and the waste that are involved in protective tariffs.

Let me read the following paragraph from the next chapter on The Real Strength of Protection:

> The truth is, that the fallacies of protection draw their real strength from a great fact, which is to them as the earth was to the fabled Antaeus, so that they are beaten down only to spring up again.

How many times have my hon. friends to my right been beaten in argument but spring up again and maintain their position!

This fact is one which neither side in the controversy endeavours to explain—which free traders quietly ignore and protectionists quietly utilize; but which is of all social facts most obvious and important to the working classes—the fact that as soon, at least, as a certain stage of social development is reached, there are more labourers seeking employment than can find it—a surplus which at recurring periods of industrial depression becomes very large. Thus the opportunity of work comes to be regarded as a privilege, and work itself to be deemed in common thought a good.

Here, and not in the laboured arguments which its advocates make, or in the power of the special interests which it enlists, lies the real strength of protection. Beneath all the mental habits I have spoken of as disposing men to accept the fallacies of protection lies one still more important—the habit ingrained in thought and speech in looking upon work as a boon.

Protection, as we have seen, operates to reduce the power of a community to obtain wealth—to lessen the result which a given amount of exertion can secure. It "makes more work."

Let me commend this to my Conservative friends—"it makes more work."

—in the sense in which Pharaoh made more work for the Hebrew brick-makers when he refused them straw; in the sense in which the spilling of grease over her floor makes more work for the housewife, or the rain that wets his hay makes more work for the farmer.

Yet, when we prove this, what have we proved to men whose greatest anxiety is to get work; whose idea of good times is that of times when work is plentiful?

A rain that wets his hay is to the farmer clearly an injury; but is it an injury to the labourer who gets by reason of it a day's work and a day's pay that otherwise he would not have got?

The spilling of grease upon her kitchen floor may be a bad thing for the housewife; but to the scrubbing woman who is thereby enabled to earn a needed half dollar it may be a godsend.

Or if the labourers on Pharaoh's public works had been like the labourers on modern public works, anxious only that the job might last, and if outside of them had been a mass of less fortunate labourers, pressing, struggling, begging for employment in the brick-yards—would the edict that, by reducing the productiveness of labour, made more work have really been unpopular?

The point I make should be obvious, and I think it is a point which if perceived and followed up should result in a reconciliation of these opposing schools of thought that have been battling one another across this chamber for so many years. Therein lies the solution of the problem that bothers the protectionist. Why, what have we heard in this House during hours and days of discussion on unemployment and the deplorable condition of business? The protectionist sees only one remedy—to make work. Well, perhaps under certain conditions it is better than no remedy at all but I say let us get the better remedy, let us get the remedy that will go to the root of the problem and remove the source of the evil. I am going to suggest later on what that remedy is. But let me now read the following:

Protectionism viewed in itself is absurd. But it is no more absurd than many other popular beliefs. Professor W. G. Sumner of Yale College, a fair representative of the so-called free traders who have been vainly trying to weaken the hold of protectionism in the United States without disturbing its root, essayed, before the United States Tariff Commission in 1882, to bring protectionism to a reductio ad absurdum by declaring that the protectionist theory involved such propositions as these: that a big standing army would tend to raise wages by withdrawing men from competition in the labour market; that paupers in almshouses and convicts in prisons ought for the same reason to be maintained without labour.

There we come to the same question we were discussing some time ago in connection with our penitentiaries, and I had some correspondence, as other members had, with regard to the impropriety of putting free labour out of a job by giving employment to prison labour. The quotation continues:—

That it is better for the labouring class that rich people should live in idleness than that they should work.

How frequently has that fallacy been preached in this country? I heard it everywhere in my youth—the laudation of the rich men—if they would only spend their money, do no work themselves but give work to poor people who are out of a job, what a good thing it would be! The quotation continues:—

Trades unions should prevent their members from lessening the supply of work by doing too much; and that the destruction of property in riots must be a good thing for the labouring class, by increasing the work to be done.

But whoever will listen to the ordinary talk of men and read the daily newspapers, will find that, so far from such notions seeming absurd to the common mind, they are accustomed ideas. Is it not true that the good times during the war are widely attributed to the "employment furnished by government" in calling so many men into the army, and to the brisk demand for commodities caused by their unproductive consumption and by actual destruction? Is it not true that all over the United States the working classes are protesting against the employment of convicts in this, that or the other way, and would much rather have them kept in idleness than have them "take work from honest men"? Is it not true that the rich man who "gives employment" to others by his lavish waste is universally regarded as a better friend to the workers than the rich man who "takes work from those who need it" by doing it himself?

In themselves these notions may be what the Professor declares them, "miserable fallacies which sin against common sense," but they arise from the recognition of actual facts. Take the most preposterous of them. The burning down of a city is indeed a lessening of the aggregate wealth. But is the waste involved in the burning down of a city any more real than the waste involved in the standing idle of men who would gladly be at work in building up a city? Where every one who needed to work could find opportunity, there it would indeed be clear that the maintenance in idleness of convicts, paupers or rich men must lessen the rewards of workers; but where hundreds of thousands must endure privation because of their inability to find work, the

doing of work by those who can support themselves, or will be supported without it, seems like taking the opportunity to work from those who most need or most deserve it. Such "miserable fallacies" must continue to sway men's minds until some satisfactory explanation is afforded of the facts that make the "leave to toil" a boon. To attempt, as do "free traders" of Professor Sumner's class, to eradicate protectionist ideas while ignoring these facts, is utterly hopeless. What they take for a seedling that may be pulled up with a vigorous effort, is in reality the shoot of a tree whose spreading roots reach to the bedrock of society. A political economy that will recognize no deeper social wrong than the framing of tariffs on a protective instead of on a revenue basis, and that, with such trivial exceptions, is but a justification of "things as they are," is repellent to the instincts of the masses. To tell working men, as Professor Sumner does, that "trades unionism and protectionism are falsehoods," is simply to dispose them to protectionism, for whatever may be said of protection they well know that trades unions have raised wages in many vocations, and that they are the only things that have yet given the working classes any power of resisting a strain of competition that, unchecked, must force them to the maximum of toil for the minimum of pay.

Now Mr. Speaker, may I try to briefly express the thought in my own mind, the problem, and the paradox that faces us, and the reason for all this battling in this Chamber for years and years—which I suppose, will continue: That the free trade argument as expounded refers only to freedom of exchange. Now exchange is part of the productive process, but it is only part, and if we do not have freedom in the other parts of the productive process, if we do not have freedom to produce, of what use is freedom to exchange? The free trade argument as ordinarily preached and expounded, as I say, refers only to a part of the productive process. It does not refer to the fundamental and initial stage in the process, and this is one of the important economic discoveries of the last fifty years, not yet appreciated by most of our people. I want to submit to the House that in the wider and better and fuller conception of free trade, the freedom to produce as well as to exchange, the freedom that applies to all the stages and parts of the productive process, we have a solution to unemployment, and we have a reconciliation of opposing schools of thought. I therefore submit to this House and to this country that it is worth while to make an effort to study rather than to battle. Let me repeat: I said before that our problems were to be solved by study and research and not by partisan recriminations and battling. I believe there is a reconciliation and I believe we can find it. I believe if we have a proper attitude of mind that we can measurably attain it.

Mr. Speaker, on account of the noise in the Chamber, it is difficult for me to make myself heard.

[Mr. Good.]

Mr. SPEAKER: Order, order.

Mr. GOOD: There is a persistent protest against the prolongation of the debate, for which I disclaim all responsibility. I am ready to adjourn the debate any time. I think I can sum up the argument of Henry George thus—

Mr. SPEAKER: The rules of the House are made for the protection, not so much of the majority as of the minority. The majority can always protect itself. I appeal to hon. members of the majority in that they may some day have to invoke the rules in order to protect their rights.

Mr. CAHILL: Is there not a well known rule against reading speeches in this House?

Mr. SPEAKER: Yes, there is a rule against reading speeches, extracts, newspapers, books, but this is what May says on the subject:

Members are not allowed to read books, newspapers or letters in their places. This rule, however, must be understood with some limitations; for although it is still irregular to read newspapers, any books and letters may be referred to by members preparing to speak, but ought not to be read for amusement or for business unconnected with the debate.

In the present instance, I have followed very closely the speech delivered by the hon. member, and I say that he is quoting extracts which are connected with the debate.

Mr. CAHILL: I should like to make the suggestion that the government might buy this book of Henry George and distribute it to the members. They would save time.

Mr. GOOD: Such remarks ill-become a member of this House. I want to read, in conclusion, a very clear statement of the point of view that I have been trying to impress upon the House. With that I end my argument, save to say a word or two about my vote on the motion before the House. This is from page 286 of Henry George's Protection or Free Trade.

Let us turn again to the tariff question.

The mere abolition of protection—the mere substitution of a revenue tariff for a protective tariff—is such a lame and timorous application of the free-trade principle that it is a misnomer to speak of it as free trade. A revenue tariff is only a somewhat milder restriction on trade than a protective tariff.

Free trade, in its true meaning, requires not merely the abolition of protection but the sweeping away of all tariffs—the abolition of all restrictions (save those imposed in the interests of public health or morals), on the bringing of things into a country or the carrying of things out of a country.

But free trade cannot logically stop with the abolition of custom-houses. It applies as well to domestic as to foreign trade, and in its true sense requires the abolition of all internal taxes—

Will hon. members note this?

—that fall on buying, selling, transporting or exchanging, on the making of any transaction or the carrying on of any business, save of course where the motive of the tax is public safety, health or morals.

Thus, the adoption of true free trade involves the abolition of all indirect taxation of whatever kind, and the resort to direct taxation for all public revenues.

But this is not all. Trade, as we have seen, is a mode of production, and the freeing of trade is beneficial because it is a freeing of production. For the same reason, therefore, that we ought not to tax anyone for adding to the wealth of a country by bringing valuable things into it, we ought not to tax any one for adding to the wealth of a country by producing within that country valuable things.

I pause there for a moment. We ought not to place a tax upon production inside the country. What are the government doing in that respect? If they will take the taxes off industry in this country, they will solve the problem of unemployment for my Conservative friends. What have the hon. member for St. Lawrence-St. George and other hon. members been declaiming about and objecting to? The taxation of industry. True free trade will not permit the imposition of a tax upon industry. Henry George continues:

Thus the principle of free trade requires that we should not merely abolish all indirect taxes, but that we should abolish as well all direct taxes on things that are the product of labour; that we should, in short, give full play to the natural stimulus to production—the possession and enjoyment of things produced—by imposing no tax whatever upon the production, accumulation or possession of wealth (i.e., things produced by labour), leaving every one free to make, exchange, give, spend or bequeath.

I do not know that I would go quite as far as that as regards death duties. But there is the solution of this perennial controversy. There is the solution of the problem that hon. gentlemen have been wrestling with for weeks and for months as regards the condition of industry. I stated last year in this debate—and it has had no recognition—that in my judgment taxes on industry, on consumption, were unjustifiable. I instanced last year two kinds of taxes that were theoretically defensible. First, there is the income tax and I gave my reasons for it, including in that tax the inheritance tax. And second, there is the tax on land values. I commend to hon. members the considerations that I advanced last year in this respect. I contend now that, as regards taxation and fiscal matters, we are operating in the wrong direction. I object to indirect taxation. I object to direct taxation of many kinds that are now imposed. I object to the taxation of industry. There are other kinds of taxation that are justifiable. As I remarked earlier in my speech, I was hoping that the government would have appointed a committee to inquire into this matter so that we might make some real advance and would not be threshing over old straw year after year; so that we might get down to basic principles.

Mr. McBRIDE: Is it not the case that this government appointed a committee on Banking and Commerce and that the hon. member has taken up the time of that committee from beginning to end?

Mr. GOOD: I do not think I need answer that question. I have just a word or two to state in conclusion. Regarding the amendment, I do not feel myself able to support it. I have no particular objection to it. I think it is futile. I do not see that it merits support. I was inclined to refuse to vote on the amendment at all, but if I vote on it, I shall oppose it on account of its futility.

As regards the budget proposals of the government, I cannot support them, for two main reasons: first because I think the government was elected on a very distinct understanding, and I do not think they have been true to that—I am not judging their motives, nor am I constituting myself a judge as to their consciences. I was much interested in the remarks of the Minister of Justice (Mr. Lapointe), as to the propriety of what he calls a middle course in the conflict of opinion. But I do not find myself able to support the government, because practically all gentlemen on the government side as well as those in this corner were elected on virtually the same platform, a platform which the government does not show any inclination to carry out, except to a very limited degree. I supported the budget last year because I thought it was to some extent a realization of that platform; I cannot support the budget this year because in my opinion it is merely marking time. Another reason for my inability to support the present budget is the fact that I see no vision, no outlook in the government's fiscal policies but rather a disposition to pursue the old lines that are discredited. Now I am finished, Mr. Speaker, and I must thank many hon. members of the House for the patience they have shown in listening to my somewhat lengthy remarks.

8 a.m.

Mr. W. J. WARD (Dauphin): I had an address of an hour and a half prepared, and if I thought for one moment that the rank and file of hon. members were responsible for the silly and stupid practice of taking the budget vote on either a Tuesday or a Thursday, I should be inclined to detain the House even at this inopportune hour. I say with all due respect to the House that I regard this practice as one having its roots in pure and unadulterated selfishness on the part of the members from Quebec and Ontario. I think

it would have been only fair if those hon. members who have enjoyed week-end vacations at home and at their businesses throughout the entire session had extended to members from the more remote sections of the country, who are forced to remain here continuously during the whole course of the session, the courtesy of taking the vote at a more favourable time. Personally, I have not lost a day so far; I have remained here over every week-end. I repeat, therefore, that it would have been but fair for those hon. gentlemen to have extended to us some measure of consideration and to have so arranged matters that the vote might be taken on Friday instead of Thursday. I would not for a moment think at this hour of the morning of inflicting myself either on Hansard or on the House, and I shall therefore refrain from saying what I had intended to say in discussing the budget. I say it is entirely unfair that such a situation should be possible and I hope that the committee now considering a revision of the rules will see to it that, for example, after the session has progressed to a certain extent, Wednesday nights shall be used to expedite the business of the House. We do not sit on that night, and we might have taken advantage of it to further the discussion of the budget; or, as I have suggested, the vote might have been taken on Friday night. I trust that these matters will be considered by the committee now revising the rules.

The House divided on the amendment (Sir Henry Drayton) which was negatived on the following division:—

YEAS

Messrs:

Anderson,
Arthurs,
Black (Halifax),
Black (Yukon),
Bowen,
Boys,
Chaplin,
Charters,
Church,
Clark,
Dickie,
Doucet,
Drayton (Sir Henry),
Duncan,
Garland (Carleton),
Grimmer,
Hanson,
Harris,
Hocken,
Hubbs,
Irvine,
Jones,
Ladner,
LeSueur,
MacLaren,
Maclean (York),
McKillop,
McQuarrie,
Manion,
Maybee,
Meighen,
Preston,
Ross (Kingston),
Ryckman,
Senn,
Sheard,
Simpson,
Spence,
Stansell,
Stevens,
Stewart (Hamilton),
Stewart (Leeds),
Stirling,
Sutherland,
Thompson,
Tolmie,
White,
Wilson—48.

NAYS

Messrs:

Archambault,
Baldwin,
Bancroft,
Beaubien,
Béland,
Benoit,
Binette,
Bird,
Black (Huron),
Boivin,
Bouchard,
Boucher,
Bourassa,
Brethen,
Brown,
Cahill,
Caldwell,
Cannon,
Cardin,
Carmichael,
Carroll,
Carruthers,
Casgrain,
Chevrier,
Chew,
Chisholm,
Clifford,
Copp,
Davies,
Déchène,
Delisle,
Denis (Joliette),
Denis (St Denis),
Desaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Drummond,
Duff,
Elliott (Dundas),
Elliott (Waterloo),
Ethier,
Evans,
Fafard,
Fansher,
Findlay,
Finn,
Fiset (Sir Eugene),
Fontaine,
Forke,
Forrester,
Fortier,
Fournier,
Gardiner,
Garland (Bow River),
Gendron,
German,
Good,
Gordon,
Gould,
Graham,
Halbert,
Hammell,
Hanna,
Hatfield,
Healy,
Hodgins,
Hoey,
Hopkins,
Hudson,
Hughes,
Humphrey,
Hushion,
Jacobs,
Jelliff,
Johnston,
Kay,
Kelly,
Kellner,
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Huron),
King (Kootenay),
King, Mackenzie (York),
Knox,
Kyte,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Leader,
Lewis,
Logan,
Lovett,
Lovie,
Low,
Lucas,
Macdonald (Pictou),
Mackinnon,
Maclean (Prince, P.E.I.),
Macphail,
McBride,
McConica,
McGiverin,
McIsaac,
McKay,
McMurray,
McTaggart,
Malcolm,
Marcil (Bonaventure),
Marcile (Bagot),
Marler,
Martell,
Mercier,
Michaud,
Millar,
Milne,
Morin,
Morrison,
Motherwell,
Munro,
Murdock,
Murphy,
Neill,
Ouimet,
Papineau,
Parent,
Pelletier,
Pouliot,
Prevost,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robichaud,
Robinson,
Robitaille,
Ross (Simcoe),
St. Père,
Sales,
Savard,

Séguin,	Stewart (Argenteuil),
Sexsmith,	Stewart (Humboldt),
Shaw,	Stork,
Sinclair (Oxford),	Thurston,
Sinclair (Queens, P.E.I.),	Tobin,
Snowball,	Vien,
Speakman,	Wallace,
Spencer,	Ward,
Steedsman,	Woods—164.

PAIRS

(The list of pairs is furnished by the Chief Whips.)

Messrs:

Fielding,	Guthrie,
Bureau,	Bristol,
McMaster,	Baxter,
Shaw,	Woodsworth,
Power,	Mewburn.

Mr. SHAW: Mr. Speaker, I was paired with the hon. member for Centre Winnipeg (Mr. Woodsworth). Had I voted I would have voted against the amendment.

Mr. R. J. WOODS (Dufferin): Mr. Speaker, I spoke on the amendment on March 27, and I desire to say a word or two now in explanation of the position I took at that time. I stated then that a manufacturing industry in the county I represent was at that time working in day and night shifts. That statement was challenged by the hon. member for Vancouver Centre (Mr. Stevens) on the following Monday by the reading of two telegrams, I being absent from the House. Now, if I made any statements that were not absolutely correct I assure hon. members of this House that I did so inadvertently. My authority for making the statement was this: Before the House opened I spent a day in the town of Orangeville where the manufacturing establishment in question is located. I am well acquainted in Orangeville and I know something of the conditions in connection with this institution. I heard the statement made that day that the Dods Knitting Company was operating night and day. That night I passed the company's plant and as the building was all lighted up took that as evidence of the fact that it was operating at night. After the House opened and I listened to hon. gentlemen in this House talking about the industries being driven out of business through the reduction in the customs tariff, about the middle of February, I wrote to a leading citizen and business man in the town of Orangeville, an ex-mayor of that town, and I received a letter from him in answer to my question whether the Dods Knitting Company was operating in the day only or day and night shifts. He stated that the Dods Knitting Company was then operating in day and night shifts and had been for some time. After making my speech on the amendment I immediately took the train to spend the week-end at home. As I have stated, in my absence on Monday the hon. member for Vancouver Centre made his speech on the amendment, and he read telegrams to the House after quoting my statement, and said he thought it strange and sought more definite information. The telegrams that the hon. gentleman read were as follows:

> Dods Knitting authorize me to inform you plant has not been operating night and day; that they are being forced to go on part time immediately. He is wiring explaining more fully.

And the following:

> Dods Knitting Company are not working day and night and are arranging to close to part time.

When I returned to the House on Monday night and was informed by my friends of what had taken place I was surprised, and I took advantage of the first opportunity to go to the hon. gentleman's room in the building and speak to him on the subject. I asked him if he would permit me to see those telegrams. He stated they had been received by a gentleman in Ottawa who might not like his name brought before the public, but he assured me that the first one I have just read was from the Manufacturers' Association of Toronto.

Mr. STEVENS: No, my hon. friend is mistaken. I said it was from the Knitting Association or the Woollen Mills' Association.

Mr. WOODS: The Knitting Association? Then I was mistaken in my understanding of what the hon. member said. Anyway, the second one was direct from the Dods Knitting Company. I then wired to a gentleman I know well, a man of undisputed integrity, and ex-mayor of the town of Orangeville. I asked him if the Dods Knitting Company was then operating day and night shifts, or day shifts, and he replied in this telegram, which I shall read:

> Dods mill still running day shift. Closed night shift about month ago.

Then in order to have a full statement of the facts, I wired to another business man in the town of Orangeville, a man of unquestionable character and integrity, and also an ex-mayor of the town of Orangeville. From him I received the following telegram:

> Dods Knitting Company running full time days with full staff. No night shift now.

Now, Mr. Speaker, the facts are these: While my statement in words was not absolutely correct when I made the statement in the House, yet it was correct in the spirit, and the fact is that the Dods Kintting Mill was running day and night shifts, and at the time I got these wires was running day shifts full time and full staff. I am very

grateful to the House for allowing me the opportunity to make this explanation, and I leave it to hon. members and to the country to judge of the merits or demerits of the arguments that I presented in regard to the prosperity of that company.

The House divided on the main motion (Mr. Robb) which was agreed to on the following division:

YEAS

Messrs:

Archambault,
Baldwin,
Béland,
Benoit,
Binette,
Black (Huron),
Boivin,
Bouchard,
Boucher,
Bourassa,
Cahill,
Caldwell,
Cannon,
Cardin,
Carroll,
Carruthers,
Casgrain,
Chevrier,
Chew,
Chisholm,
Clifford,
Côpp,
Déchène,
Delisle,
Denis (Joliette),
Denis (St. Denis),
Désaulniers,
Descoteaux,
Deslauriers,
Desrochers,
Duff,
Elliott (Waterloo),
Ethier,
Fafard,
Findlay,
Finn,
Fiset (Sir Eugene),
Fontaine,
Forrester,
Fortier,
Fournier,
Gendron,
German,
Gordon,
Graham,
Halbert,
Hammell,
Hanna,
Hatfield,
Healy,
Hudson,
Hughes,
Humphrey,
Hushion,
Jacobs,
Jelliff,
Johnston,
Kay,
Kelly,
Kennedy (Glengarry & Stormont),
Kennedy (Port Arthur & Kenora),
King (Kootenay),
King, Mackenzie (York),
Kyte,
Lanctôt,
Lapierre,
Lapointe,
Lavigueur,
Lewis,
Logan,
Lovett,
Low,
Macdonald (Pictou),
Mackinnon,
MacLean (Prince, P.E.I.),
McBride,
McConica,
McGiverin,
McIsaac,
McKay,
McMurray,
Malcolm,
Marcil (Bonaventure),
Marcile (Bagot),
Marler,
Martell,
Mercier,
Michaud,
Morin,
Motherwell,
Munro,
Murdock,
Murphy,
Neill,
Ouimet,
Papineau,
Parent,
Pelletier,
Pouliot,
Prevost,
Pritchard,
Putnam,
Rankin,
Raymond,
Reed,
Rhéaume,
Rinfret,
Robb,
Roberge,
Robichaud,
Robinson,
Robitaille,
St. Père,
Savard,
Séguin,
Sexsmith,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Snowball,
Stewart (Argenteuil),
Stork,
Tobin,

Vien—123.

NAYS

Messrs:

Anderson,
Arthurs,
Bancroft,
Beaubien,
Bird,
Black (Halifax),
Black (Yukon),
Bowen,
Boys,
Brethen,
Brown,
Carmichael,
Chaplin,
Charters,
Church,
Clark,
Davies,
Dickie,
Doucet,
Drayton (Sir Henry),
Drummond,
Duncan,
Elliott (Dundas),
Evans,
Fansher,
Forke,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Good,
Gould,
Grimmer,
Hanson,
Harris,
Hecken,
Hodgins,
Hoey,
Hopkins,
Hubbs,
Irvine,
Jones,
Kellner,
King (Huron),
Knox,
Ladner,
Leader,
LeSueur,
Lovie,
Lucas,
MacLaren,
Maclean (York),
Macphail,
McKillop,
McQuarrie,
McTaggart,
Manion,
Maybee,
Meighen,
Milne,
Morrison,
Preston,
Ross (Kingston),
Ross (Simcoe),
Ryckman,
Senn,
Sheard,
Simpson,
Speakman,
Spence,
Spencer,
Stansell,
Steedsman,
Stevens,
Stewart (Hamilton),
Stewart (Humboldt),
Stewart (Leeds),
Stirling,
Sutherland,
Thompson,
Thurston,
Tolmie,
Wallace,
Ward,
White,
Wilson,
Woods—86.

PAIRS

(The list of pairs is furnished by the Chief Whips.)

Messrs:

Fielding,
Bureau,
Sir Lomer Gouin,
Euler,
Hunt,
Laflamme,
McMaster,
Walsh,
Gervais,
Shaw,
Power,
Guthrie,
Bristol,
Campbell,
Warner,
McDonald (Timiskaming),
Kennedy (Edmonton),
Baxter,
Coote,
Sales,
Woodsworth,
Mewburn.

Mr. SHAW: I was paired with the hon. member for Centre Winnipeg (Mr. Woodsworth) Had I voted I would have voted for the motion.

Mr. POWER: I was paired with the hon. member for East Hamilton (Mr. Mewburn). Had I voted I would have voted against the amendment and in favour of the resolution.

The House went into committee of Ways and Means, Mr. Gordon in the chair.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 8.55 a.m. Friday.)

Friday, May 1, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 58, from the Senate, for the relief of Thomas Almer Shields.—Mr. Hudson.

Bill No. 59, from the Senate, for the relief of Roderick James Ellis.—Mr. Boys.

Bill No. 60, from the Senate, for the relief of Florence Mann.—Mr. Sheard.

Bill No. 61, from the Senate, for the relief of Samuel John Pegg, junior.—Mr. Preston.

Bill No. 62, from the Senate, for the relief of Harry Hambleton.—Mr. Sheard.

Bill No. 63, from the Senate, for the relief of Izzie Klinmentz otherwise known as Izzie Climans.—Mr. Jacobs.

Bill No. 64, from the Senate, for the relief of John Hutchison Durnan.—Mr. Sheard.

Bill No. 65, from the Senate, for the relief of Richard James Wright.—Mr. Garland (Carleton).

Bill No. 66, from the Senate, for the relief of Mary Ellen Ayre.—Mr. Boys.

Bill No. 67, from the Senate, for the relief of Helen Marie Pritchard.—Mr. Garland (Carleton).

CANADA-UNITED STATES TREATY

BOUNDARY DEMARCATION

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

Resolved, by the House of Commons,—That it is expedient that Parliament do approve of the Treaty between His Majesty, in respect of the Dominion of Canada, and the United States of America, for the further demarcation of the international boundary between Canada and the United States, laid upon the table of the House on Thursday, the 26th of February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, and that this House do approve of the same.

He said: Mr. Speaker, hon. members of the House will observe that following this resolution on the order paper there is a resolution asking the approval of parliament of the Convention and Protocol between His Majesty, in respect of the Dominion of Canada, and the United States of America, for regulating the level of the Lake of the Woods. It might be well were I to take advantage of the opportunity on the first of these resolutions to say a word as to the use of the word "treaty", in the case of the one resolution, and the words "convention" and "protocol" in the case of the other.

International agreements take on a great diversity of forms, for example: Treaty, convention, acte final, declaration, agreement, protocol, exchange of notes, and so on. Of these, the treaty and the convention are the more formal, and are used for more important matters. In British practice, treaties and conventions are made between heads of states, while agreements, may be made between governments without the issue of full powers.

As between "treaty" and "convention", the distinction is not definite. They do not differ as regards their structure. The terms are frequently used interchangeably, but as a rule a treaty is considered a more formal document than a convention; it is always used in making peace, and it is generally used in agreements as to boundaries. The agreement of 1908, between His Britannic Majesty and the United States, as to the Canadian boundary line, was styled a "treaty", and so is the document now under consideration —Boundary Demarcation Treaty—the Lake of the Woods agreement has been styled a "convention".

It also makes use of the word "protocol." Protocol is a term used in different senses; it may mean a preliminary agreement to be embodied in a convention or treaty later, or an agreement on certain temporary or supplemental measures to be taken to carry out the intent of the main agreement. It is in the latter sense that it is used in the Lake of the Woods agreement: The protocol here provides for engineering reports on plans, representation on a temporary damages tribunal, and so on.

Coming now to the resolution which is before the House, as is indicated it asks the approval of this House in the first instance to the treaty between His Majesty in respect of Canada and the United States of America for the further demarcation of the international boundary between Canada and the United States. A copy of this treaty was laid on the table of the House on Thursday, 26th February, 1925. The negotiation and signature of this treaty has been in accordance with the practice which was laid down at the Imperial conference of 1923, and which has been followed with respect to other recent international agreements between the United States and Canada which have been before this parliament during the last year or two. The Halibut convention, the convention for the suppression of smuggling operations along the border and the convention for the extradition of traffickers in narcotics, were other international agreements that have been

approved by this House and by the Senate. The latter two are about to be ratified. This treaty respecting the demarcation of the international boundary was signed at Washington, as I have mentioned, on 24th February, of the present year. It was signed on behalf of His Majesty in respect of Canada by the Hon. Mr. Lapointe, Minister of Justice, who received full powers from His Majesty to sign in his name on behalf of Canada. It was signed on behalf of the United States government by Secretary Hughes. This treaty was ratified by the Senate of the United States on March 12. After its approval by both houses of this parliament ratification in the name of the king will be sought and obtained and when ratifications are exchanged the treaty will then become binding upon the two countries.

The purpose of the treaty is to readjust the boundary line between Canada and the United States in three respects, and to provide for a continuance of the commission appointed under the treaty of 1908 to mark the boundary in certain areas. With respect to the readjustment of the boundary the details, I think, can be given in a few words:

First of all, article (1) of the treaty relates to the boundary line along the Lake of the Woods and the northwest angle. The boundary line from the mouth of the Pigeon river to the northwest point of the Lake of the Woods, as defined in article (5) of the treaty of 1908, intersects at five points the boundary line from the northwest point of the Lake of the Woods to the Rocky mountains as provided in article (6) of that treaty, and leaves two small areas of two and a half acres of United States waters entirely surrounded by Canadian waters. It is proposed to make the southernmost intersection the meeting-point of the two boundary sections, instead of the northwestern point taken in the treaty of 1908, thus leaving the water area in question a part of Canadian territory. It takes certain waters that at the present time are practically surrounded by United States waters, and brings them into Canadian territory.

Article (2) of the treaty relates to the boundary line from Lake of the Woods to the Rocky mountains. This line is defined in the boundary treaty of 1908 as consisting of a series of curved lines joining adjacent monuments, each following the curvature of the forty-ninth parallel. It has been found that such a curve, though small, not exceeding four inches in the one and one-third miles between monuments, is not as practicable a boundary as the straight line which has been adopted in all other sections of the international boundary. The treaty therefore provides for straight lines between monuments. This involves a cession of some twenty-two acres of land all told to the United States.

The third article relates to the boundary line at Passamaquoddy bay and Grand Manan channel, New Brunswick and Maine. It is found by surveys that the terminus of the line in Grand Manan channel, laid down in the treaty of 1908, is less than three miles distant from the shore lines of Grand Manan island and of the state of Maine, and leaves a small zone of waters of controvertible jurisdiction between this terminus and the high seas. It is therefore provided that this line should be extended 2,383 metres further through the middle of Grand Manan channel to the high seas.

The second part of the treaty relates to the continuance of the work of the boundary commission to be found in article (5). The original work assigned the commission, consisting of one Canadian and one United States commissioner, in marking the boundary, is nearing completion. It is, however, desirable to provide for its continuance, in order to inspect and keep in repair or relocate the monuments and buoys and keep open the boundary vistas. The boundary line between the United States with Alaska, and Canada is 5,520 miles, and is marked by 7,734 monuments; approximately 1,070 miles are timbered areas through which a twenty-foot vista has been cut. Experience shows that boundary monuments deteriorate and vistas are closed by growth unless inspection is continued. By article (6), the provision for the continuance of the commission may be terminated by twelve months' notice, any time after six years.

As to expenditure, there would be no outlay for salaries on Canada's part, as the office of boundary commissioner has been merged with that of the Director General of Surveys, and the other staff will be provided by the Topographical or Geodetic surveys. Any outlay woud be for actual work done in the field in repairing or relocating monuments, and might run from $2,000 to $10,000 in any year.

These, Mr. Speaker, are the essential features of the treaty which the House is asked to approve. Needless to say the matter has been the subject of very careful negotiation more particularly between the Minister and officers of the Department of the Interior of Canada and the Secretary of State and offi-

cers of the corresponding department of the United States, and it brings to a final conclusion or removes finally from the arena of future possible discussion some minor points that are of real significance with respect to the international boundary and which if left unsettled might come to create confusion or discussion in the future, but which if settled in the manner here proposed cannot do other than help to further the good relations which so happily exist between the American republic and our own country.

Motion agreed to.

Mr. MACKENZIE KING moved:

That a message be sent to the Senate informing their Honours that this House has adopted the above resolution and requesting that their Honours will unite with this House in approving the above mentioned treaty, and that the clerk will carry the said message to the Senate.

Motion agreed to.

CANADA-UNITED STATES CONVENTION

LAKE OF THE WOODS AND RAINY LAKE LEVELS

Right Hon. W. L. MACKENZIE KING (Prime Minister, Secretary of State for External Affairs) moved:

Resolved, by the House of Commons,—That it is expedient that Parliament do approve of the Convention and Protocol between His Majesty, in respect of the Dominion of Canada, and the United States of America, for regulating the level of the Lake of the Woods, and of identical letters of reference submitting to the International Joint Commission certain questions as to the regulation of the levels of Rainy Lake and other upper waters, laid upon the table of the House on Thursday, the 26th of February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, and that this House do approve of the same.

He said: This convention provides a settlement of negotiations which have been under way since 1912, when the two countries, the United States and our own referred the question of the regulation of the level and outflow from the lake of the Woods to the International Joint Commission. The commission reported in 1917; Canada accepted the recommendations in 1919; the state of Minnesota objected; a conference was held in Ottawa in 1922; further negotiations were carried on at Washington in 1923, and the present convention was drafted. The Canadian government accepted it, but the United States took no action, mainly due to local Minnesota opposition, until February, 1925, when the Secretary of State stated that this government was prepared to accept.

This treaty was ratified by the United States Senate, March 14, of the present year.

The purpose of the convention is to raise the level of the lake of the Woods and maintain it at as uniform a level as possible, mainly in order to increase the power development on the Winnipeg river, flowing out of the lake of the Woods. The dams and other control works, and the enlargement of the outlet from the lake, are being carried on at the instance of the Canadian government, under the recent Norman dam agreement effected by the Minister of the Interior, and to which Ontario and Manitoba have consented. It is, however, necessary to secure the consent of the United States, as these developments may involve flooding of the low lands on the south United States shores.

The convention provides, briefly:

i. For the establishment of a Canadian Lake of the Woods control board and also an international board of two engineers, to regulate the level of the lake when it rises or falls below certain levels, with appeal if necessary to the International Joint Commission.

ii. Enlargement of the outlets, by the Dominion.

iii. Assumption by the United States of liability for flooding United States lands, up to certain level of lake, and for certain protective works and alterations.

iv. Agreement by Canada to pay the United States in consideration of these undertakings $275,000, and half of any additional sum expended within five years, two-thirds of these amounts to be assessed on the power companies benefited.

v. No diversion of water to any other watershed except by agreement.

Accompanying the convention is a protocol, providing:

i. Submission of Canadian outlets plans to the international board of control.

ii. Submission of United States protective works to the international board of control.

iii. Representation of Canada on tribunal to assess land damages.

iv. One member of Canadian board to be also a Canadian member of the international board.

At the same time it is proposed to refer to the International Joint Commission, by identical letters of reference, certain questions as to the possibility of regulating the levels of Rainy lake (following into lake of the Woods) and other upper waters, the cost, the proper apportionment of the cost, and the nature and extent of interests benefited by

the present developments on Rainy lake and Kettle falls.

This Mr. Speaker is a pretty complete summary of the convention and the protocol. As hon. members are well aware, this matter also has been the subject of very careful examination and consideration by Canadian ministers of the crown and by officers of the Department of the Interior and members of the administration and corresponding departments of the United States, and the government believes that in the agreement that has been reached a further advance has been made in carrying out the original purpose of the establishment of the International Joint Commission, under which the sources of possible differences between ourselves and the United States are removed by resort to reason, rather than by any thought of an appeal to force. The treaty marks one further step along the path of international peace and goodwill of which we on this continent have given so happy an example to the rest of the world.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The previous treaty did not appear to be of such importance as to require very prolonged consideration on the part of the House, but this treaty is of real significance. I do not now feel as familiar with the subject as I once was, but the treaty in question is a result of a submission which was made nine or ten years ago to the International Joint Commission of certain differences which had arisen and problems that were on the horizon with respect to the lake of the Woods and adjacent territory, the inlet and the outlet. Canada's case was very thoroughly presented before that tribunal, as was the American case, and a finding was made in which the Canadian commissioners concurred and the American commissioners as well. But a very strange incident occurred with the American commissioners. While concurring, all or some of them submitted as well a sort of subsidiary report, and the concurrence with the majority or the unanimous report was subject to whatever results might flow from the submission of these subsidiary recommendations. Anyway, the consequence was that the United States did not approve of the finding of the international board, and thus there has been a delay extending over all these years. What I would like to be clear on, first of all, is as to what concessions have been made, if any, to the United States, in order to induce them to concur in the treaty. That is to say, what is there embodied in this treaty that is in the nature of a concession, a change from the original terms of the finding of the international board. In view also of the rather involved character of the arrangement now come to, embodied in this convention and in the protocol which subjoins it, it does seem to me the House owes it to the importance of the subject to go into committee of the Whole, so that we can get more detailed information. Possibly it would be better—although on this I do not insist—to go into committee of the Whole at another date, when such information as we can get now can be studied with the treaty itself, and we probably can make more rapid progress. The consequences of the treaty are very great, or rather the importance of hon. members understanding its terms is quite considerable. The great power interests which depend on the outflow of the lake of the Woods will in future rest their rights on the terms of the treaty and, as well, on its fairness will depend in considerable degree the presence or absence of friction between the two countries in years to come.

Mr. MACKENZIE KING: The request, or the suggestion rather, my right hon. friend has made, that the House go into committee of the Whole on this resolution will require the unanimous consent of the House, if we are to conform to the rules covering the consideration of the resolution as it appears on the order paper. I may say, speaking for the government, we have no objection whatever to adopting the course my right hon. friend has proposed. Indeed, I think it is a wise suggestion, and has much to commend it, and I shall be very happy if the House will agree to permit the resolution to be considered in committee of the Whole. If unanimous consent is given we can so arrange. I understand, if we adopt the suggestion, another resolution will have to be drawn.

Mr. SPEAKER: It can only be done by unanimous consent. Is it the wish of the House that the Prime Minister shall have leave to withdraw the present resolution?

Motion agreed to.

Mr. SPEAKER: Is it the pleasure of the House that this resolution be taken up on Monday next?

Motion agreed to.

OLD AGE PENSIONS

Hon. JAMES MURDOCK (Minister of Labour) moved:

That it is expedient that the final report of the special committee of the House of Commons which was ap-

pointed at the last session to make an inquiry into an old age pension system for Canada, be referred to a special committee of the House for examination and report with reference to the correspondence which has occurred since last session with the several provincial governments arising from the proposal of the special committee for co-operative action between the federal and provincial authorities on the subject of old age pensions.

Hon. H. H. STEVENS (Vancouver Centre): I am not rising at all to question the desirability of this motion. I wish, however, to ask the minister a question and to direct his attention to one or two matters. In the first place, I notice that this is a motion to refer the report made in the previous session to a special committee of this House. Is it the intention that such special committee this year shall prepare and suggest to the House legislation necessary to give effect to the substance of the report, and is it the intention of the government to bring in such legislation this year?

Mr. MURDOCK: That would appear to be a matter for later consideration when the report of the committee has been received. The proposal of the special committee last year, which proposal was adopted by this House, was for co-operative action between the federal government and the various provincial governments on an old age pension plan, and the federal government was to take the matter up with the provincial governments. That has been done. If my hon. friend will look at Hansard of March 2, 1925, he will find a brief outline of the answers received from the various provinces, or I can read them to him now, if he would like to have them on Hansard again.

Mr. STEVENS: I should be glad if the minister would do so.

Mr. MURDOCK: These questions were asked and answered on March 2, 1925:

1. Has the government communicated with the provincial governments in connection with the old age pension scheme, which was recommended to the House in a report brought down July 1, 1924?

The answer given was: Yes. The second question was:

2. If so, what was the result of these communications?

The answer given was:

2. British Columbia. A resolution was adopted by the legislature approving of the principle of old age pensions and advising the enactment of legislation by the Dominion government to bring the same into effect; the government of British Columbia also expressed the opinion that the matter of old age pensions was one entirely in the sphere of the federal parliament.

Alberta. Consideration promised.

Saskatchewan. The reply of the provincial government spoke of the difficulty of adopting any suitable scheme of old age pensions by provincial enactment alone, and referred to the differences in climate between the various provinces as rendering a joint scheme between the Dominion and the provinces difficult of attainment. The opinion of the provincial government was that an old age pension scheme for Canada could best be adopted by the federal authorities alone.

Manitoba. Promised consideration.

Ontario. Promised consideration.

Nova Scotia. Promised consideration.

Quebec. The provincial government intimated in its reply its inability to comply with the proposals of the Old Age Pensions committee.

New Brunswick. No reply has been received as yet.

The third question was:

If not, has the government decided to do anything during the present session as suggested by the report?

The answer given was:

The matter is under consideration.

Now the proposal is to submit this question to a special committee, having regard to the attitude of the provincial governments as it is before us, for further consideration and report to the House.

Mr. STEVENS: I hope the minister will not misunderstand me. I am not for one moment seeking to raise this matter for the purpose of questioning the desirability of the resolution. I am asking this question because of my intense interest in the subject—

Mr. SPEAKER: By leave of the House.

Mr. STEVENS: I am asking a question. In view of the fact that these answers reveal —what shall I say?—an intention on the part of some provinces, at least, not to do anything at all which would make it possible for provinces who were willing, to act, and in view of the fact that some of the provinces state that this is the duty of the federal government, indicating, therefore, their lack of inclination to co-operate, would it not be better for the federal government to take full responsibility in the matter and to bring in the legislation this session?

Mr. MURDOCK: That, I think, would be a proper question to determine after a special committee had considered the question again in the light of changed conditions. Last year a special committee indicated—and its report was adopted by this House—that the question was one to be dealt with jointly between the Dominion and the provincial governments. Now, it would seem proper to ask a special committee and, I would hope, the same special committee, to deal with the situation having regard to the changed circumstances.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the special committee business, in my judgment, has

been overdone in this parliament many times over. We have special committees sitting on this, that and the other thing all the time. The standing committees are also sitting, with the consequence that it is very hard to get attendance in parliament. Parliament is getting a reputation throughout the country for non-attention to its duties, when, as a matter of fact, hon. members are spending, and I fear, in many cases for which they are not responsible, wasting time on special committees. This is a case where it is very difficult to see what the purpose of a special committee can be. If a special committee has any function, it would be to conduct certain inquiries, to get information, to ascertain facts, so as to enable a recommendation to be made as to policy. What inquiries are to be conducted here? What information is to be secured? What facts are unknown? I know of none. According to the minister's statement, at all events, they are all known. What is to be referred to to the committee is this: Certain letters indicating the attitude of the provincial governments. Those are in the possession of the government. The old report of last session is to be referred. That is also in the possession of the government. In a word, to enable the government to determine its course, everything is before it. But the government says: Instead of our determining our course, we shall just have a special committee come and think this thing out and take it off our shoulders. It will not be off the shoulders of the government at all ultimately, and all that a committee can do is to delay the matter. The committee can succeed in delaying progress but what else they can succeed in doing passes my comprehension. Here is the attitude of the British Columbia government, here is the attitude of the governments of Ontario, Quebec, Nova Scotia, New Brunswick; here is the fact that some other government has no attitude at all: all that will go before the special committee. And what will the special committee do? One member may think one thing and some other member may think another thing, but there is nothing to find out; there is no fact undisclosed, or at least there is not suggested to be any. In a word, the government after it has the report will be just where it is to-day.

Mr. MURDOCK: Does the hon. member realize that there are only three provinces that have stated their position in the matter?

Mr. MEIGHEN: Well now, that is more interesting still. The committee will have the findings of three provinces, and I presume having that information they will say—well, really, one does not know what on earth the committee could say. Two of these provinces declare it is federal business while one says otherwise, apparently. Where will the committee be at all? I presume that after the committee submits its report, if it can ever frame a report to mean anything, then the matter will stand until next session and we shall have a couple more provinces declaring themselves, in consequence of which another committee will be appointed; and so on until all the provinces have indicated their views. Now, is it not sheer humbug? For the life of me I do not see what else it is. And besides, it is occupying the time of hon. members of this House to absolutely no purpose when already we are so surfeited with committees that we can scarcely get an attendance in the House.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid I cannot agree with my right hon. friend (Mr. Meighen) in the view he takes. If there was any advantage at all in having a committee of the House originally to deal with the matter, surely there is an advantage in continuing the same committee when it is now possible to obtain the information which it was found impossible to get at the time the committee made the previous inquiry. As hon. members of the House know, this matter of old age pensions has up to the present been considered one in which the provinces as well as the federal government are interested. It is all important that before any action is taken by the federal administration we should understand very fully and finally the attitude that the several provinces will take on this particular question. As the Minister of Labour (Mr. Murdock) has mentioned, some of the provinces have not given any adequate expression of their view, or any expression at all. I should imagine that the committee would now feel that they would desire to have appear before them some official representative of each of these particular provinces who will be in a position to state the view which that province takes on these matters, and also that it would be an advantage to the committee possibly to bring representatives of all the provinces if need be.

Sir HENRY DRAYTON: My right hon. friend suggests that the committee could enforce the views of a province through the machinery of the committee. Under what power could that be done?

Mr. MACKENZIE KING: My hon. friend has the idea of force in mind. The whole purpose of the committee however is rather to adopt the opposite method of "sweet reasonableness" instead of attempting to get the information by force. It is not to be assumed that the provinces have not replied because of some desire to ignore the importance of the question, or that those that have replied in the way they have done may not be very glad to reconsider the position they have taken if they get further light as to the attitude of other provinces. The matter is one in regard to which much better headway could be made by means of conference and joint discussions than by correspondence between the different governments. All hon. members who have had any experience in the matter of correspondence between different departments of the federal government and the provincial governments are aware that such negotiations are apt to be of a most formal and limited character. The government is really desirous of getting if possible co-operation between the federal and the provincial authorities, believing that the matter is one which, if it is to be worked out satisfactorily, will demand such joint effort. And it has been with that end in view that the Minister of Labour has felt, with the information he can now place at the disposal of the committee, that he would like to have the same committee re-convene and discuss the subject in the light of this wider information. I think it is entirely in the interests of the subject to which the resolution relates that this course should be adopted.

Mr. WILLIAM IRVINE (East Calgary): I am very much disappointed with the procedure which the government intends to follow in respect of old age pensions. I had looked forward to seeing this question settled in some way at this session. Last year the committee appointed to deal with the matter went into the consideration of old age pensions fairly thoroughly, securing all the information that was available, and the recommendation that the provinces be consulted was not of first importance. The recommendation of the committee last year was that legislation providing for old age pensions was desirable; the suggestion that the provinces should be consulted and that some measure of responsibility should rest upon them in the matter of old age pension legislation appeared to me at that time as perhaps only a way of retarding developments. And subsequent events have proved that. I do not know what the intention of the government really is in regard to this legislation, but if the intention is to shelve the question for another year this is the best way I could conceive of doing it; and at the same time it would enable the government to report progress to the public outside. But indeed there will be no progress, and the report, if there is one, will be all that we shall have. As the leader of the opposition (Mr. Meighen) has clearly pointed out, the only thing that this committee can do under the resolution is to read over what the Minister of Labour has just read, to the effect that some provincial governments are not considering the matter at all, believing that it is entirely one for federal action, while others are prepared to consider it further. When we have gone over that information the only thing that can be done will be to re-recommend what was recommended last year.

Mr. MURDOCK: I think my hon. friend was on the special committee last year. Did the committee not decide that if an old age pension scheme was to be adopted it should be under a joint arrangement with the provinces?

Mr. IRVINE: I have just mentioned that this was part of the recommendation of the committee. But surely the Minister of Labour does not conclude from that that since some of the provinces are not prepared to follow that suggestion Canada should forever be without an old age pension scheme. We might go on making inquiries of this kind for the next fifty years and still find some of the provinces unwilling to take action. Apparently therefore it would be the duty of the federal government to make some move now since the responsibility is ultimately a federal one. My purpose in rising is to urge the federal government to take that responsibility now. If this resolution were to instruct the committee to draft the necessary bill, I could understand how some progress might be made; I presume, however, that that would be the prerogative of the government itself. I would suggest that instead of the government letting this matter go to the committee for another few weeks of fruitless consideration, it should bring in legislation as soon as possible providing for old age pensions. If this matter goes to a committee now, and is considered for two or three weeks or more, no matter what the composition of that committee is and no matter how favourable a report it might make, it is not likely that we will have any legislation this session.

Mr. MURDOCK: If the federal government did what my hon. friend suggests, would that not be acting contrary to the report of the special committee appointed last year as adopted by this House?

Mr. IRVINE: I do not think so, Mr. Speaker. The committee merely recommended this interprovincial inquiry as part of their suggestion to the government. The committee felt, I think, or if it did not it surely ought to have felt, that some of the provincial governments might not entertain the idea.

Mr. MURDOCK: If that is his view my hon. friend should read the report of his own committee last year.

Mr. IRVINE: I have read the report, Mr. Speaker, I had something to do with the discussion which took place on it, and I think I am familiar with it. I am not speaking for the minds of the individual members of that committee, but surely when that committee suggested that there should be co-operation between the provinces and the Dominion in the drafting of this legislation and joint responsibility for carrying it out, that committee did not conclude that if one or two or more of the provinces refused to take any action there would be no old age pension legislation. If the committee had entertained that opinion, I think it would have voiced it, and I do not think that the Minister of Labour or anybody else had a right to assume that that was the committee's view.

Sir HENRY DRAYTON: Mr. Speaker, the answer my right hon. friend the Prime Minister (Mr. Mackenzie King) gave me is quite correct, and I only put the question in view of the previous statement made by him, which was to the effect that this committee could bring before it the officials of those provinces that as yet had not declared their position. My right hon. friend's explanation of course shows that that could not be done. This being so, the first part of his reasoning fails. But he gives another reason, which may be entirely correct, that this matter is to be approached in a spirit of "sweet reasonableness." I suppose that is the only way it can be approached. There is no question in the world that when the Dominion government goes to the provincial governments seeking to get them interested in some joint venture, the best way to obtain results is by the exercise of the spirit of "sweet reasonableness," and I entirely agree with my right hon. friend that if he is to accomplish anything it must be by the exercise of this spirit. But that provokes a very interesting question, Mr. Speaker,—whether the government is bereft of this spirit of "sweet reasonableness." Is it quite sure that the provincial governments would be more likely to co-operate when so approached by the Dominion government than if they were met in that same spirit of "sweet reasonableness" by a special committee? I do not like the suggestion that the government is bereft of that spirit of "sweet reasonableness," that it is absolutely necessary to erect a committee at this stage of the session for the purpose of functioning in that spirit which the government lacks. Now, how much better it would be if we could just have a little bit of frankness one with the other. We all know that if this report is referred to a special committee the chances are very, very slim that anything can be done with it this session. What objection is there to the government in this particular case announcing its policy, and submitting that policy to the committee, with instructions to lick it into shape? Then something might be done. Of course, in that case it would not be possible for the government to play both sides against the middle; they would have to say something, and they would have to stand upon it. But, after all, is not this question really serious enough, vital enough and human enough to be dealt with one way or the other and not played with? There is just another thing I would point out. I think we have a special committee on which labour is specially represented in one of the standing committees now provided for by the Minister of Labour.

4 p.m.

Mr. MURDOCK: The committee on International and Industrial Relations.

Sir HENRY DRAYTON: Yes. I take it that that committee is not very much overworked with international matters at the present moment; if it is, my hon. friend will correct me. I would remind the hon. minister that we now have so many committees meeting that it is not at all unusual to have five functioning on the same day. I know that so far as I myself am concerned, usually I am supposed to be present at four different committees every single day, and the heavy work there takes up practically all my time, so that I have not been able to be in the House for a considerable period now owing to my attendance on those special committees. I think the government might well consider whether this special committee business is not really getting a little bit played out. Either

that, or else the members will be played out if on the one hand they are going to try to do their duty in this chamber and at the same time be in attendance at three, four and sometimes five committees when the House is in session.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, it is perhaps noteworthy that every hon. gentleman who has spoken this afternoon urging the government to plunge immediately into a policy of old age pensions, without assistance from the provinces—which would of course involve an enormous expenditure—were a few hours ago condemning the government for not reducing expenditures.

Mr. MEIGHEN: Who have urged that?

Mr. NEILL: That I gathered was the general tenor of everyone who spoke.

Mr. MEIGHEN: Can you name one?

Mr. NEILL: A few hours ago they voted for an amendment to the budget condemning the government for not reducing expenditures. Now, so far as the committee is concerned, I do not think it would be wise to remove the duties which were imposed on the committee appointed last year and place them in the hands of another committee, because the gentlemen who composed the committee last year are naturally cognizant of the subject, and I think they were all very keenly interested in it and could be relied on to take an active interest again, in spite of the numerous other committees that demand their attention. The hon. member for Vancouver Centre (Mr. Stevens) took a point which I think he was mistaken in, that inasmuch as one province at least has refused to have anything to do with the joint scheme, therefore it was impossible to go further. But the report of the committee of last year specifically recommended that the bill, if introduced, should be of such a character that it would be open to any province to co-operate should it choose to do so, much in the same way, I imagine, as in the case of the legislation regarding grants for good roads of which certain provinces took advantage, and others did not.

Mr. STEVENS: May I ask a question?—and this is not asked with any desire to embarrass; I am quite serious. Assume, we will say, that six provinces adopted it and three refused—already three have indicated that it should be done by the federal authorities—and legislation was passed in those six provinces on the matter; would there not be a tendency for the indigent aged to drift into those provinces that had provision for an old age pension from the provinces where the old age pension provisions did not exist? Take Alberta and British Columbia, for instance; if one had an old age pension scheme, and the other had not, would not the aged in the province without the provision have a tendency to drift into the other province with the old age pension scheme, and thus saddle that province with unfair and undue burdens?

Mr. NEILL: There might be a danger of that kind, but I think it could be largely avoidable. The same objection has been raised in connection with the Mothers' Pension Act, but that objection has been met by suitable regulations. I do not think the inducements offered by any old age pension scheme, such as we could afford to provide, would be of such a character as to lead people to drift very far, but it could be easily regulated by requiring a certain number of years' residence in the particular province before qualifying for the pension. I was only explaining the matter to the hon. member, because I know he was not a member of the committee, and I wanted to point out that we are not precluded from going on with the legislation this year because one or more provinces have refused to have anything to do with it. The recommendation of the committee was of an optional character.

With regard to the remarks of the right hon. leader of the opposition (Mr. Meighen) that there was no more knowledge to be acquired by the committee, it might well be, if it was found on a consideration of the reports that have been made, and others yet to be obtained from the different provinces, that united action was absolutely impossible or practically so, that it would be necessary to seek to formulate some other scheme. I saw in the press yesterday, for instance, that the British government are starting out with a new insurance system of a very extensive nature and of a contributory character—I do not think that would be adaptable to our conditions here, yet in default of being able to devise a scheme along the lines the committee recommended, it might be that we would have to consider something of that character. The committee would be able to obtain that information, and its report might be of some value to the government in formulating its policy.

Motion agreed to.

Mr. MACKENZIE KING: If the House would give unanimous consent we might appoint the committee now, just naming the same committee as was appointed last year. I think there is a general agreement that if any committee is to be considered, it should be the same committee.

Mr. MEIGHEN: Very well.

Mr. MACKENZIE KING: With the unanimous consent of the House I move:

That a special committee be appointed to make an inquiry into an old age pension system for Canada, with power to send for persons, papers and records and to report from time to time, and that the said committee do consist of the following named members, namely, Messrs. Fontaine, Irvine, Logan, McConica, Munro, Neill, Preston, Raymond, Robichaud, Sexsmith, Spence and St. Père.

Mr. MEIGHEN: Could there not be further words to this effect?—"and that there be referred to such committee for examination and report the correspondence which has occurred since the last session between the several provincial governments."

Mr. MACKENZIE KING: Yes, I thank my hon. friend for the suggestion. I move to amend the motion accordingly.

Motion as amended agreed to.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, that it is expedient to amend The Dominion Lands Act, chapter 20 of the statutes of 1908, and the acts in amendment thereof, by providing,—

(1) That notwithstanding anything contained in the said act, no person shall be granted entry for lands situate within that part of the provinces of Saskatchewan and Alberta south of the south boundary of township 16 in the Dominion lands system of survey unless such person submits evidence satisfactory to the Minister of the Interior that he or she is in permanent residence and conducting farming operations upon a farm of not less than eighty acres distant not more than nine miles in a direct line from the parcel for which entry is desired, exclusive of the width of road allowances crossed in the measurement, or that such person is the father, mother, son, daughter, brother or sister of a settler in permanent residence and conducting farming operations as aforesaid;

(2) That notwithstanding anything to the contrary in the said act, the minister may sell school lands required as right of way for any project or for reservoir, church, cemetery or hospital sites, at a price to be fixed by an officer of the department as the actual market value of the land, and upon such terms of payment as the minister may prescribe, provided that the government of the province in which the land is situated expresses its approval of the sale and price in each case;

(3) That where an application is made by the holder of unpatented school lands purchased under the provisions of this act prior to the first day of January, 1923, or by the legal representative, or registered assignee of such holder, the minister may, with the consent of the government of the province in which the lands affected are situate, rescind such contract, or contracts of sale, as to any portion thereof and in such form and area as the minister may prescribe.

Upon such rescission the holder or his legal representative, or registered assignee, shall be held to be indebted to the crown for principal and interest in accordance with the terms and conditions of the original contract, or contracts of sale, in respect only of the area to which such contract, or contracts, have been confined, and the account, or accounts, of the holder, legal representative, or registered assignee, in the books of the department, shall be adjusted accordingly. In such readjustment, any moneys paid on the original contract, or contracts, may, in the discretion of the minister, be applied in satisfaction of the principal and interest owing, or principal accruing under the contract, or contracts, as amended; provided that there shall be no refund of any moneys.

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

Mr. MEIGHEN: It would help the discussion when we get into committee if the minister would at this stage tell the precise intent of each of these clauses. I think I understand them fairly well, but I am sure many hon. members will not.

Mr. STEWART (Argenteuil): With reference to clause 1, as hon. gentlemen know, we have a regulation that prohibits the homesteading of land south of township 16 in the provinces of Alberta and Saskatchewan.

Mr. MEIGHEN: For how long?

Mr. STEWART (Argenteuil): I cannot give my hon. friend the exact date.

Mr. MEIGHEN: About when did it go into effect?

Mr. STEWART (Argenteuil): I think about two years ago. That area of land which is known generally as the dry belt should not be turned over to agriculturists, it should be retained as far as possible for grazing purposes. But it is desirable that the relatives of residents should be given the privilege of homesteading available land keeping in mind the provision of the Dominion Lands Act that it shall be within nine miles of the home of the parents or relative. We are having a good deal of pressure brought upon us to open up these areas. I do not wish to do so because I think it is costing the country a considerable amount of money to move people out of these localities. Opening up these areas should only be done with the utmost care and only in cases where there appears to be real necessity to meet the demands of relatives or children of parents who are in the locality. For that reason I am asking in section 1 of the amendment the privilege of granting to the persons mentioned the right to take homesteads in that area.

Then, with reference to the second amendment the amendment to the School Lands Act, hon. gentlemen will remember that last

year objection was taken to this when the minister was asking for power to sell right of way and reserve sites for the purposes mentioned here—church, cemetery, or hospital. As hon. members will know, under the provisions of the law school lands, if sold, are to be sold at public auction, and any one who has had any experience in the department knows that from time to time school lands are required, sometimes for a gravel pit and frequently for a right of way on a railway crossing. In these cases some doubt has arisen as to what would be a reasonable price for the land. In order to make it clear that these transactions shall meet with the approval of the provincial authorities, I have inserted a provision in this section this year that this consent of the provincial authorities must be obtained for the sale of school lands of this character.

Mr. MEIGHEN: Could the minister say what the privilege has been before this? The minister has not been powerless to sell land for some of these purposes previously without auction?

Mr. STEWART (Argenteuil): That is quite true, but last year when I sought to extend that provision my right hon. friend himself took some exception—

Mr. MEIGHEN: Yes.

Mr. STEWART (Argenteuil): —and I have now inserted the proviso that the provincial authorities shall be satisfied with the sale—that the matter shall be referred to them and their approval obtained.

Mr. MEIGHEN: I am not clear as to what the difference will be between the present law and the law as now proposed.

Mr. STEWART (Argenteuil): I do not happen to have the section before me but I will get it for my right hon. friend when the matter comes up again. The third section is new, and I may say for the information of the House that I have consulted the provincial governments with respect to this change in the law as it affects the sale of school lands, and have their consent to what I think will be a very great advantage to the holders of school lands who are in arrears. Hon. gentlemen know, particularly those who come from the western provinces, that at auction sales of school lands held on former occasions, very many purchasers purchased more land than they actually required, and they found themselves considerably embarrassed. Indeed almost daily there are cancellations of school lands going through our office, which means of course that any moneys that were paid in by the purchasers of the school lands are forfeited. I made a proposition to the provincial governments who were interested that I might have the authority to cancel a portion of the sale and apply the payment on the purchase price on the portion retained by the purchaser, thereby saving him from the loss of his money and giving him an opportunity to pay up for the balance of the holding. This very frequently happens in the case of the sales of half sections and greater amounts. It is not proposed that we split the quarter section in two, but that we shall be able to cancel the sale of a half section and apply such moneys as have been paid in on the purchase price on the quarter section that he will endeavour to retain and pay for.

Mr. MEIGHEN: A very serious step.

Mr. STEWART (Argenteuil): I do not agree with my right hon. friend. I think that, rather than cancel the sale in its entirety or confiscate the money paid in by the purchaser, it is a much more reasonable thing to allow him to retain one-half of his purchase, with no change so far as the contract is concerned, simply applying such moneys as he has paid in on the purchase of a quarter section rather than a half section, the other portion reverting to the crown.

Mr. GARLAND (Bow River): In regard to paragraph 2, does not the paragraph simply provide for an addition to the present regulation for the sale of school lands, or can you under this regulation sell school lands for any other purpose than that provided for in the regulation?

Mr. STEWART (Argenteuil): No.

Mr. GARLAND (Bow River): Supposing someone wanted to buy school lands in that district for farming purposes what would be the process?

Mr. STEWART (Argenteuil): We could not sell them to him. They are sold under a regulation which is now in existence which means that the consent of the provincial government must be obtained before the lands are put up, and they must be sold by public auction.

Mr. SPEAKER: I suppose that unanimous consent should be given for questions to be asked at this stage of the proceeding. All these questions can be brought up in committee of the Whole.

Motion agreed to.

CANADA HIGHWAYS ACT AMENDMENT

Hon. GEORGE P. GRAHAM moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to provide that the time within which the various provinces of Canada may earn and be paid the sums allotted to the said provinces under the provisions of the Canada Highways Act, chapter 54 of the Statutes of 1919, as extended by chapter 4 of the Statutes of 1923, be extended for a further period of two years.

He said: I may say that this resolution merely extends the operation of the Highways Act for two years to allow those provinces which have not already done so to earn the amount of money voted to them under the act.

Sir HENRY DRAYTON: Will my hon. friend state what the provinces are and how much money they can get?

Mr. GRAHAM: I will tell my hon. friend when we get into committee.

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

Mr. GRAHAM: In reply to the hon. member for West York (Sir Henry Drayton), the provinces that have earned the full amount of their appropriation are, New Brunswick, Nova Scotia and British Columbia. In Ontario $300,000 has been held back to ensure completion. The following provinces require additional road making seasons to earn the full amount: Saskatchewan, three years; Manitoba, two years; Prince Edward Island, two years; Alberta, three years. Quebec is to complete her work this year.

Sir HENRY DRAYTON: How much money is being paid in each province, and how much money will be paid under the extended period which has been provided for?

Mr. GRAHAM: To get at that properly, I give first the amounts appropriated. The allocation of the $20,000,000 is as follows:

Alberta	$1,477,810
British Columbia	1,251,955
Manitoba	1,602,265
Nova Scotia	1,468,720
New Brunswick	1,163,845
Ontario	5,877,275
Prince Edward Island	603,455
Quebec	4,748,420
Saskatchewan	1,806,255

I give now the expenditures as against the amounts appropriated: There has been $16,784,825.82 paid. Of the remaining $3,215,174.18 there is $869,187.25 in the course of audit and preparation for payment, leaving a balance of $2,345,086.93 yet to be earned.

Sir HENRY DRAYTON: What is the trouble in connection with those unascertained amounts? Do I understand there is an arbitration or a settlement which has been arrived at?

Mr. GRAHAM: No, they are auditing. An agreement has been prepared for each province. Perhaps it would be interesting to read it. It is as follows:

Alberta had its general plan, under the Canada Highways Act, approved by the Minister of Railways and Canals on May 11, 1920. No expenditure was made, however, under this plan and, after a change in government, a highways commission was appointed for the purpose of considering the whole question of the roads to be improved by the provincial government under the Canada Highways Act. This commission recommended some additions and slight changes in the original plan, and in March 1924 asked for the approval of an amending plan; this was approved by the Minister of Railways and Canals in April, 1924. Active work has been carried on by the province during the past season. Under the act Alberta is entitled to $1,477,810. Up to date the province has earned $274,292.11 and has been paid $210,585.93; the balance is now being adjusted for payment.

Sir HENRY DRAYTON: This will give Alberta how many more years in which to earn the balance?

Mr. GRAHAM: It will give her this year and two years more. The act does not expire until April, 1926, but they must know this year when making their plans for next year that the arrangement has been extended. The agreement continues:

Saskatchewan's appropriation under the act is $1,806,255. To date this province has earned $1,495,594.68, of which $1,434,484.11 has been paid and the balance is being adjusted for payment.

Sir HENRY DRAYTON: A comparatively small sum.

Mr. GRAHAM: Yes, they can work theirs out in three years. The agreement continues:

Manitoba's allotment is $1,602,265. Of this amount $1,222,149.79 has been earned, although a part of it ($68,209.39) is yet to be adjusted for payment. Manitoba's earning of subsidy averages about $200,000, so that about two further seasons will be required to work out its balance of about $380,000.

Ontario's appropriation is $5,877,275, and this province has practically earned the whole of its appropriation although some money (about $300,000) is being held over for the completion of two or three specific contracts. It is expected that these contracts will not be finished in less than two road-making seasons.

Quebec's appropriation is $4,748,420, under the act. This province still has about $100,000 to earn. This balance will be taken up this season.

Prince Edward Island's appropriation is $603,455. To date this province has earned $554,387.45, of which $408,273.69 has been paid. I consider that it will take two working seasons for Prince Edward Island to work out the balance of its allotment as it is considering the importation of gravel from the mainland.

New Brunswick, Nova Scotia and British Columbia have earned the full amount of their appropriation under the Canada Highways Act.

Sir HENRY DRAYTON: Before we leave this, can my hon. friend tell me how much money is still held over that has already been earned? How much money was earned under last year's contract which has not been finally paid?

Mr. GRAHAM: There would be $300,000 due Ontario under the specific contracts which have been entered into; that is not under audit.

Sir HENRY DRAYTON: That is not earned yet?

Mr. GRAHAM: No, it will not be earned for a couple of years. I will get those figures.

Mr. McTAGGART: Would the minister tell us the situation in Saskatchewan and Alberta with regard to new projects coming under the agreement between the provincial and Dominion governments? Will it be possible for, say, the province of Saskatchewan to bring further new projects under agreement between the provincial and the Dominion governments?

Mr. GRAHAM: Out of $1,806,255 they have earned already $1,495,594.68, which would leave a little over $300,000. I imagine there would be some new projects, but I could not say positively until I compare the applications that have already been made by Saskatchewan for approval.

Mr. McTAGGART: The thought in my mind was that possibly new projects could not come under the agreement. The act has been extended for two years only.

Mr. GRAHAM: Any projects that do not exceed the amount appropriated for Saskatchewan can be considered, but anything outside of the present appropriations in the way of new projects could not be considered, because there is no money for it. In other words, if the projects already approved of for Saskatchewan, or the bulk of those approved of, reaches the limit of the appropriations for that province, they could not get anything further. But my own opinion is that the projects they have now before the department will not reach the full amount of their appropriation.

Mr. CALDWELL: Could the minister tell us how the allocation is arrived at? Was it per capita of the population, or per mile of road in the different provinces?

Mr. GRAHAM: I will read this from the act:

For the purpose of constructing and improving highways in Canada the Governor in Council may authorize the payment out of the Consolidated Revenue Fund of Canada of the sum of twenty million dollars during the period of five years from the first day of April, 1919.

Subject to the conditions hereinafter mentioned, such sum shall be allotted and paid as follows:—

(a) Eighty thousand dollars shall be paid each year to the government of each province.

(b) The remainder of such sum shall be allotted and paid to the governments of the respective provinces in proportion to the populations of the said provinces respectively, as determined by the latest federal census of each province.

Mr. DOUCET: Whilst the province of New Brunswick has earned its full quota, will the minister say if they have been paid the full amount so earned?

Mr. GRAHAM: I have no reason to think they have not been paid. The provinces generally put in their application for the money as soon as it is earned, and then they have only the routine of the auditing and inspection by the engineers. As soon as that is done, the money is handed over.

Mr. CALDWELL: Are there any instructions under the act as to what road that shall be paid on, or does the province decide the system of roads? Must it be paid on provincial highways, or can the provinces allocate it to any roads they like within their own province?

Mr. GRAHAM: Without going over the act, I think the province make certain allocations, and the federal government's power is to approve the class of road on which they will give 40 per cent. I think the federal authority has not interfered in any way with the allocation of roads by the province.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce bill No. 68, to extend the period of the Canada Highways Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

SUNNYBRAE-GUYSBOROUGH

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee at the next sitting to consider a resolution providing for the construction of a line of railway, Canadian National Railway from Sunnybrae to Guysborough, N.S.

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

Sir HENRY DRAYTON: I should like to ask my hon. friend whether there are any new additions or whether the proposition will be as it was last year?

Mr. GRAHAM: I think it is in the same identical terms as last year.

Motion agreed to.

TURTLEFORD

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

(1) That it is expedient to bring in a measure to provide for the construction or completion prior to the thirty-first day of August, 1928, of a line of railway between Turtleford and a point in township 48, range 12 West of the Third Meridian, in the province of Saskatchewan, by the Canadian National Railway Company (hereinafter called the "National Company" and the Canadian Northern Railway Company (hereinafter called the "Northern Company"), jointly or severally;

(2) That a part of the cost of such construction and completion, as specified approximately in the schedule hereto, shall be provided by the Northern Company from the proceeds of issues of debenture obligations heretofore made, and now standing subject to certain trusts, to the credit of the Provincial Treasurer of the province of Saskatchewan (hereinafter called "trust funds"), and the balance, also as specified approximately in such schedule, shall be provided by the National Company. To enable such balance to be provided, the National Company may, subject to the provisions of the proposed Act, issue notes, obligations, bonds and other securities (hereinafter called "securities"), and the Governor in Council may authorize the guarantee of the principal and interest of such securities. The said companies shall be authorized to take all necessary steps, jointly or severally, to enable the trust funds to be used as herein provided.

(3) That provision be made for the issue of certificates as to mileage by the minister, and neither the minister in the issuance of such certificates, nor the said companies in the performance of the work of construction and completion, or the National Company in the issue of its securities for the balance of cost after deducting trust funds available shall, unless by consent of parliament, exceed the estimated distance expenditure and average expenditure per mile, and the estimated amount of trust funds available, by more than fifteen per cent, and if upon final survey it appears to the said companies or either of them that the expenditure involved in the completion thereof will exceed the limits of expenditure estimated, the said companies shall not commence nor proceed with the works without first obtaining the approval of parliament;

(4) That the nature, terms and form of securities to be issued and guaranteed in respect of the balance of money by the National Company shall be such as may be approved by the Governor in Council and signed by the Minister of Finance;

(5) That to enable the work of completion of the said line of railway to proceed forthwith, the Governor in Council, pending the issue and disposal of any such guaranteed securities, may authorize advances to be made to the said companies, or either of them, from the Consolidated Revenue Fund, such advances to be reimbursed to His Majesty from the first moneys available therefor;

(6) That the minister shall annually present to parliament a statement of the work and expenditure, advances and amount of advances reimbursed, and all such other information as he shall require or direct.

SCHEDULE

Location.	Mileage already graded.	Estimates		
		Mileage including existing grading.	To be expended.	Average expenditure per mile.
From Turtleford easterly and southerly to a point in Township 48, Range 12, West of the 3rd Meridian in the Province of Saskatchewan	23	67	$ 1,871,000	$ 27,925
To be provided by the Northern Company from trust funds, as specified in Resolution 2 and pursuant to chapter 2 of the Statutes of Saskatchewan, 1924, approximately	.....	.....	801,000	
To be provided by the National Company as the balance of cost as specified in Resolution 2, approximately	.....	.....	1,070,000	
			$ 1,871,000	

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

Mr. GRAHAM: Hon. members will remember that last year a bill was brought in for the construction of this line to a certain point. The bill passed the House of Commons and our Railway committee, but it did not pass the upper House. It was for a line of railway running a longer distance than the present resolution calls for. I may say that I intend to send all these bills to the Railway committee for full discussion, but I

think it is fair to explain that the Saskatchewan government issued certain securities for the construction of lines in that province, and by recent legislation they have made it possible to release these securities to apply to the construction of this line and another one that I have before me, the Bengough-Willowbunch branch. This bill is the same as the bill of last year except as to distance, and as to this point that I have now suggested, that we can utilize the money provided by the Saskatchewan government and held in trust for the construction of certain lines. Perhaps it would be wise, so that I may not make any error, if I read the memorandum which the solicitor of the Canadian National Railways has placed in my hand:

This bill is a little different from those of last year, in that it provides for the utilization of trust funds in the hands of the provincial treasurer of the province of Saskatchewan to the extent of $801,000. The total cost of the line, as shown in the schedule, is $1,871,000, which leaves a balance of cost to be raised by the Canadian National Railway Company of $1,070,000.

We have not carried the branch line this year as far as Hafford, for the reason that after discussing the matter with Premier Dunning and Mr. Hungerford it was suggested that the main purpose was to get some part of the line constructed in the present year, and the present mileage—67 miles—carries the line as far as what is known as Meeting lake.

Sir HENRY DRAYTON: What point did the bill of last year stop at?

Mr. GRAHAM: Quite a distance beyond Meeting lake.

Sir HENRY DRAYTON: No work was done on the bill of last year?

Mr. GRAHAM: It did not become law.

There has been under discussion for a great number of years the building of a line from Shellbrook across to Meeting lake, and the scheme of the present branch line bill is to enable the line to be built as far as the junction point where the Shellbrook line would meet, if the Shellbrook line is ever built. The portion between Meeting lake and Hafford has not been abandoned. We will come back with that proposition later on. In the meantime, Mr. Hungerford wishes to have this lower part of the line between Meeting lake and Hafford reconsidered for the purpose of determining just where the junction point with the main line should be. He thinks that instead of going directly south to Hafford it should bend more to the west, since his view is that grain from this district will probably move by the Alberta gateway instead of via Fort William.

This bill does not differ very materially from the standard bills of last year. The principal difference is that it is made abundantly clear in this bill that the National company can only issue securities for the balance of cost after deducting the trust funds, and it is provided that the two companies, the Canadian Northern and the Canadian National, are authorized to take all necessary steps, jointly or severally, to enable the trust funds to be used as herein provided. It will be appreciated that the trust funds belong to the Canadian Northern system, that is, they were obtained by the issue of securities of the Canadian Northern Saskatchewan and the Canadian Northern.

The line, of course, is to be built as a Canadian Northern line in order to enable the trust funds to be applied thereto.

Sir HENRY DRAYTON: I suppose there is not much doubt as to the position of the trust funds. If I remember rightly, under the old Canadian Northern Saskatchewan system which was operating on the provincial charter, there were at one time numerous railway proposals some of which—I think I am fair in saying, all—were floated by government guarantees.

Mr. GRAHAM: I think so.

Sir HENRY DRAYTON: I do not know of any that build themselves; I think the money all came from the people.

Mr. GRAHAM: From one government or the other.

Sir HENRY DRAYTON: My hon. friend might tell us what line this particular guarantee was for in the first instance.

Mr. GRAHAM: I cannot give that at the moment; I have the information at the office.

Sir HENRY DRAYTON: We can get that later on. But under the arrangement entered into the guarantees were all based on the bonds of the system, endorsed by the province and placed in the hands of the trustee to be earned by the railway as construction took place. So that the present proposition is that instead of doing our own financing we should take advantage of provincial financing already done—

Mr. GRAHAM: Yes, that is part of it.

Sir HENRY DRAYTON:—to the extent stated by the minister. We realize of course that the addition at once becomes a part of the capital charges of the system.

Mr. GRAHAM: Surely.

Sir HENRY DRAYTON: What is the exact difference, if any, between operating under the provincial guarantee and operating under that of the Dominion?

Mr. GRAHAM: Does my hon. friend mean from the point of view of interest?

Sir HENRY DRAYTON: There is more than that involved in it. Some of these guarantees have certain conditions attached as to obligation and the like. Some of them make a special provision for interest, perhaps more or less provincial as against Dominion. The House should know, before embarking on the

principle of building Dominion lines under provincial guarantees, just what the conditions are, because this railway will now be the property of the country, and the people ought to know not only what interest charges will be involved but also what the original terms were under which the securities were given. I would suggest that it would be very much better if we did not start complicating the accounting of a system, already very complex, by bringing in this question of old provincial guarantees. Under the agreement between the province and the local railway, I would assume that the interest has been running on these bonds, from the time the money was raised.

Mr. GRAHAM: That would be reasonable, of course.

Sir HENRY DRAYTON: And who is paying that interest at the present time?

Mr. GRAHAM: As I understand it, these bonds are practically carrying themselves, although I am not sure about that; it is information I should have to get. Perhaps I could get it from the provincial legislation, in which I imagine all these things would be dealt with. And in the preparation of this bill I should think that it would be necessary to have all these details. My hon. friend suggests a point I had not thought of seriously, that there might be some conditions in the old guarantee outside of interest altogether, which would make it embarrassing or expensive,—or onerous, to put it mildly,—for the Canadian National Railways to operate the road, which would not be the case if the railways borrowed their own money directly. I shall try to get this point cleared up before we go much further.

Mr. CALDWELL: Is there not usually a provision in legislation dealing with matters of this kind that the interest shall be paid out of the proceeds of the bond issue while the work is under construction? I know that this is so in the case of the harbour commissions and other matters of that nature, but I do not know whether it applies to the railways.

Mr. GRAHAM: We issue the bonds and sell them and we put the proceeds in the hands of the Receiver General at a certain rate of interest. We could put them in the bank if necessary but the usual method in the federal financing of undertakings of this kind is to put the proceeds of the bonds in the hands of the Receiver General and draw a certain rate of interest.

Sir HENRY DRAYTON: The point made by the hon. member (Mr. Caldwell) is right, but I do not know that it applies to our railways. What he is referring to is a provision usually found in all trust instruments. Under trust instruments the trustee has the right to pay interest during a certain fixed period which is supposed to represent a reasonable time within which construction should take place before operation begins. In connection with the government roads we have no trustee and on that account we save certain costs. The moneys instead of being placed in the hands of a trustee are placed with the Receiver General who allocates them at the request of the company, as from time to time it is necessary; and he allocates them either as for interest or as for principal. As I recollect, there is an item of $56,000 in this year's accounts for interest on the cost of these branch lines under construction. I am not quite sure, it may be for something else; but the principle is the same. I should just like to ask my hon. friend to further consider this question in the light of his own statement. He says he thinks these bonds are carrying themselves.

Mr. GRAHAM: Approximately, I think.

Sir HENRY DRAYTON: If so, no one is losing any money. If we have no money lying idle as the result of these provincial obligations, surely it would be much better for us to keep all our activities in our own hands, instead of building a branch line here or a branch line there guaranteed by the province. It does seem to me to be the most absurd turning of things upside down to have the Dominion—because it is the Dominion—building branch lines with the guarantee of the province. I do not know what some people will think of it, but probably the Acting Minister of Finance (Mr. Robb) would consider it as rather an absurd proposition, and that in the interest of the country's credit abroad it was an exceedingly bad precedent to adopt. It does not look very well for the Dominion to be putting itself in this position, that so far as the outside world is concerned —which understands nothing about the real situation—the Dominion is driven to carry on its financial operations in connection with its railways, in part, not with the gifts—because she would have the right to take those —but with the guarantee of the province, which in turn the Dominion becomes liable for and has to pay interest on.

Mr. GRAHAM: I think quite a few of that kind were taken over with the system.

Sir HENRY DRAYTON: That is a very different thing. That building was done by

the railway company; we were legatees, and we took it with all its burdens.

Mr. GRAHAM: Yes.

Sir HENRY DRAYTON: But here we are putting ourselves in that position. Frankly, I think that some thought should be given to the adoption of that principle, just from the aspect of the country's finances and its credit.

Mr. GRAHAM: I am not in a position to discuss that point intelligently until I have before me all the details in reference to the legislation of the province of Saskatchewan. For two years that province has been very anxious to have this money utilized for the construction of railway lines, as the provincial government had guaranteed these bonds for construction, and it does not look unreasonable, if that money can be utilized for the purpose of building lines within the province, even if those lines will be under the Canadian National, that the money should be used. What will the province do with that money? It can be used only for the purpose of constructing railway lines within the province.

5 p.m.

Sir HENRY DRAYTON: I am going to refer my hon. friend to his own remark not more than ten minutes ago, that those bonds were carrying themselves.

Mr. GRAHAM: I said I thought so.

Sir HENRY DRAYTON: If that is so, the province is now using that money.

Mr. GRAHAM: I will ascertain that. But I do not see how the province can eventually use this money for any purpose but railway construction. They have the securities. If they are using them it must be only for temporary purposes until such time as they can be applied to railway construction. The whole question at issue, to my mind, is whether it is good financing for the Dominion.

Sir HENRY DRAYTON: That is right.

Mr. GRAHAM: The legislature of Saskatchewan has, I believe, without any opposition, passed legislation making it possible to have the Canadian National Railways use the money raised on these securities for the purposes outlined in this resolution. Just what the further complications might be I do not know.

Sir HENRY DRAYTON: I think my hon. friend will find that this is the situation, but I hope he will make sure: First, that he has got a trustee; secondly, the trustee has control of this money; thirdly, the trustee, during the period which must elaspe before the moneys are applied to this railway construction, has the right to place them in any safe guaranteed investment which the province approves of; fourthly, that the province today, in all likelihood, is using its own moneys, which is a perfectly proper thing for it to do. in connection with its own financing.

Mr. GRAHAM: Would they be allowed, without legislation, to use the money for any purpose except railway construction?

Sir HENRY DRAYTON: Not for any capital purpose. My hon. friend will find that usually there is a reasonable provision inserted, which with a certain amount of judgment by the trustee in some cases, of course, plus the consent of the guarantor, allows the money to be deposited in different ways. Why, my hon. friend has no difficulty in using money here; it just goes into the Receiver General's funds. There is no difficulty about it. I should think the position would be the same in Saskatchewan.

Mr. CALDWELL: Mr. Chairman, in my opinion, the point raised by the hon. member for West York (Sir Henry Drayton) resolves itself into this: Can the federal government secure this money from the province as cheaply as it can from some other source? With regard to the money being used otherwise, I think the hon. member is absolutely right. I know the province of New Brunswick some years ago issued bonds for a certain railway, and these bonds were deposited with a trust company. When we wanted the money to build the road we found the trust company had invested it in a South American railway, and we were unable to proceed with our construction because the investment was not liquid, and I do not know that we have got all the money back yet. The trust company was also financially embarrassed, and was not able to dig up the money for us from some other source.

Mr. GRAHAM: Will it cost the Canadian National Railways more to issue its own bonds?

Mr. CALDWELL: But eventually it means the government and the people.

Sir HENRY DRAYTON: That is the point.

Mr. CALDWELL: Will the minister find out?

Mr. GRAHAM: I will find out all about it before we get in committee on the bill.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 69, respecting the construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, Range 12, West of the Third Meridian, in the province of Saskatchewan.

Sir HENRY DRAYTON: I would ask my hon. friend to give us the information he has promised before this bill goes into committee.

Mr. GRAHAM: Yes.

Motion agreed to and bill read the first time.

REGINA—AVONLEA

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved (1) That it is expedient to bring in a measure to provide for the construction or completion prior to the thirty-first day of August, 1927, of a line of railway from a point about five miles south of Regina to Avonlea in the province of Saskatchewan, by the Canadian National Railway Company;

(2) That the company may issue notes, bonds and securities in respect of the said construction, and the Governor in Council may authorize the guarantee thereof;

(3) That provision be made for the issue of certificates as to mileage by the minister, but neither the minister in the issuance of such certificates nor the company in the performance of the work of construction and completion or in the issue of its securities shall, unless by consent of parliament, exceed the estimated distance, expenditure and average expenditure per mile by more than fifteen per cent; and if upon final survey it appears to the company that the expenditure involved in the completion thereof will exceed the limits of expenditure estimated, the company shall not commence nor proceed with the work without first obtaining the approval of parliament;

(4) That the nature, terms and forms of securities to be issued and guaranteed shall be such as may be approved by the Governor in Council and signed by the Minister of Finance;

(5) That to enable the work of completion of the said line of railway to proceed forthwith, the Governor in Council, pending the issue and disposal of such guaranteed securities, may authorize advances to be made to the company from the consolidated revenue fund, such advances to be reimbursed to His Majesty from the proceeds of the sale or other disposition of such securities;

(6) That the minister shall annually present to parliament a statement of the work and expenditure, advances and amount of advances reimbursed, and all such other information as he shall require or direct.

SCHEDULE.

Location.	Mileage already graded.	Estimates.		
		Mileage including existing grading.	To be expended.	Average expenditure per mile.
From a point about five miles south of Regina to Avonlea, in the province of Saskatchewan.....	0	33	$ 941,000	$ 28,51

Sir HENRY DRAYTON: I think the minister had better not go on with this resolution now. It is highly contentious.

Mr. GRAHAM: I know it is.

Sir HENRY DRAYTON: I know that a great many of the representatives from the west desire to be present during the whole time the resolution is being considered, and many of them are not here.

Mr. GRAHAM: I want to make some advance with this proposal so that it may be taken up by the Railway committee. I am not as well informed on this bill as I am on some others. However, I know it is very contentious, and I should like it to be put through the necessary stages so that it might be sent to the Railway committee. There are people who wish to be heard with respect to the proposal, and I thought we might advance it and get it before the committee so that it might be fully investigated there. If my hon. friend will allow the measure to be advanced the necessary stages there will be every possible opportunity for discussion. I know that there are members on both sides who wish to discuss the bill when the proper stage has been reached. I may say that the resolution provides for the construction of a line of railway from Avonlea to a point about five miles from Regina. I know it will be a contentious bill in its present form, but we cannot discuss it at the present stage, and I am anxious, as rapidly as possible, to reach the stage where it may be discussed.

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

Mr. GRAHAM: This is the situation. As a matter of fact the Grand Trunk Pacific Railway Company had entered into an agreement with the city of Regina to do certain things. I

think there are four companies included in this agreement—the Grand Trunk Pacific, Branch Lines Company, the Grand Trunk Pacific Development Company, the Grand Trunk Pacific Railway, and the Canadian National Railway. They are really a quartette in one, but these different entities have signed an agreement with the city of Regina. The Grand Trunk Pacific Railway Company had agreed, either by itself or through one of these other companies, to do certain things in the city of Regina, one of which was the construction of a hotel. The parties met after a good deal of negotiation and came to an arrangement by which Regina relieved the railway company of several things, and the railway company relieved Regina of several items under a former agreement. One of the former was the relief of the railway from the portion of the agreement which provided for the construction of a hotel under one of the paragraphs in the agreement which pertains to the construction of this line, as a quid pro quo in part for the concessions that were to be given by the city. The Canadian National Railway Company agrees to give reasonable support to any movement on the part of the city or of the province of Saskatchewan for the construction of a connecting line of railway from the city of Regina to Avonlea in the province of Saskatchewan. I have a memorandum here, which points out that this proposed line is thirty miles in length, and some details as to the traffic that would come to it. But the chief point that we have to discuss, I think, is whether this line should be constructed at the present time. I will read that clause again so that hon. members will know what effect that agreement would have on the construction of the line.

Sir HENRY DRAYTON: Perhaps it would be fair to everybody if the agreement were placed on Hansard, provided it is not too long.

Mr. GRAHAM: I would be content to put the entire agreement on Hansard. The essential point is that the Canadian National Railways have agreed to give reasonable support. The reasonable support they have construed into recommending that the line be constructed. I would like to get the bill before the Railway committee if I could, because I know there would be people there who would wish to discuss it. Perhaps the city of Regina might want to be represented and the Canadian National also, and there are members from different sections who feel strongly in regard to this road. I will be glad to place it on Hansard, so that hon. members will have a copy of the agreement when we come to discuss it in committee.

Sir HENRY DRAYTON: I quite agree that we should have full discussion and that the matter should be ventilated. I would suggest that by consent the agreement now go into Hansard. The minister might in the meantime move that the committee rise and report progress with the understanding that he can move the House into committee on Monday. But in the meantime every hon. gentleman will have a chance of reading the agreement and understanding it.

Mr. GRAHAM: I am not pressing the point, because I know it is contentious. There are hon. members on both sides who would rather have it go to the Railway committee where they can thresh out the details with all the cross-firing that will take place. But I am not bound in any way and I have an open mind on the matter.

Mr. JELLIFF: I think it is just as well to follow the course suggested by the hon. member for West York. A number of western members are opposed to going on with this road. The member for Moose Jaw (Mr. Hopkins) is one of them, and there are strong protests from the city of Moose Jaw, the board of trade and other organizations. I think the agreement had better go on Hansard, and that the matter should be left over until another day.

Mr. GRAHAM: Are these gentlemen who are opposed to the measure not here.

Mr. JELLIFF: No.

Mr. KNOX: We have been trying to get them, but it is impossible to locate them. I think it would be better to follow the suggestion that the agreement should go on Hansard.

The agreement referred to is as follows:

Memorandum of agreement, made in quadruplicate, this day of A.D. 1925;
Among:
The Grand Trunk Pacific Branch Lines Company,
(hereinafter called "the Branch Lines Co.")
of the first part,
The Grand Trunk Pacific Development Co., Limited,
(hereinafter called "the Development Company")
of the second part,
The Grand Trunk Pacific Railway Company,
(hereinafter called "the Pacific Company")
of the third part,
The Canadian National Railway Company,
(hereinafter called "the National Company")
of the fourth part;
and
The city of Regina,
(hereinafter called "the city")
of the fifth part.

Whereas by an agreement in writing, dated the 30th day of November, 1910, and made between the Branch Lines Company of the first part and the city of the second part, the city covenanted with the Branch Lines Company inter alia to grant to the Branch Lines Company certain right of way through the city and certain other lands in the city; and to close certain Streets for the use of the Branch Lines Company, all as shown on the plan referred to in said agreement; and the Branch Lines Company covenanted with the city inter alia to erect a passenger station on blocks 453, 454, and 455, at the corner of 16th Avenue and Albert street, or on some part thereof, adequate in all respects to meet the requirements of traffic at Regina, and affording ample accommodations, and also to erect and maintain a first-class hotel with all modern appointments in the vicinity of the said passenger station;

And whereas by another agreement dated the 18th day of October, 1912, entered into between the Branch Lines Company of the first part and the city of the second part, the Branch Lines Company covenanted to erect and have completed by 1st November, 1914, a hotel of an area of 160 square and not less than seven storeys in height with provision for 225 guest rooms, the whole to cost in respect of construction and equipment approximately one million ($1,000,000) dollars; and the city covenanted with the Branch Lines Company to lease to the Branch Lines Company for a term of ninety-nine years from 1st November, 1912, at a rental of $25.00 per annum for the purposes of the aforesaid hotel a parcel of land containing 1.43 acres in section 18, township 17, range 19, west of the second meridian, and also to grant to the Branch Lines Company certain exemption from taxation in respect of the said parcel of land and the buildings to be erected thereon, all as more particularly specified in said last mentioned agreement.

And whereas in pursuance of the said last mentioned agreement the city did lease to the Branch Lines Company by a lease dated the 16th day of September, 1912, the said parcel of land containing 1.43 acres for a term of 99 years from 1st November, 1912, at a rental of $25.00 per annum, subject to the condition inter alia that the Branch Lines Company, or any other company owned or controlled by the Branch Lines Company, would erect a hotel of the character provided for in said agreement of 18th October, 1912;

And whereas the Branch Lines Company assigned the said lease and all its right therein and thereunder to the Development Company, and the Development Company is now the registered owner of the said leasehold;

And whereas the making and execution of the said agreement of 18th October, 1912, and of the said lease were authorized by by-law of the city council number 675.

And whereas the said agreements of 30th November, 1910, 18th October, 1912, the said lease of 16th September, 1912, and said by-law number 675 were all ratified, confirmed and validated by act of the legislature of Saskatchewan, being chapter 65 of the statutes 1912-13;

And whereas by another agreement in writing entered into between the Branch Lines Company and the city, dated the 3rd day of October, 1913, certain portions of Argyle and McTavish streets closed by the city in pursuance of the said agreement of 30th November, 1910, were re-opened by the city, which agreement was ratified, confirmed and validated by act of legislature of Saskatchewan, being chapter 88 of the statutes of Saskatchewan, 1913;

And whereas by resolution of the council of the city, dated on or about the 3rd day of July, 1911, the city agreed, on the application of the Branch Lines Company, to close certain other streets and lanes in the city, namely: 15th Avenue, north of block 49 in the C.P.R. annex. Edward street, west of lots 16, 17, 18, 19, 20, block 47, in the C.P.R. annex. The lane east of lots 11, 12, 13, 14, 15, block 46, and lots 16, 17, 18, 19, 20, block 47. The lane through block 48, and the lanes through block 50 all in the C.P.R. annex.

And whereas the said last mentioned streets and lanes though physically closed have never been legally closed in accordance with the City Act;

And whereas by another resolution of the council of the city dated on or about the 3rd day of July, 1911, the city on request of the Branch Lines Company, agreed to close a portion of the 17th avenue in the city where the same was crossed by the Branch Lines Company's railway as shown on the plan referred to in the said resolution, in lieu of a portion of 18th avenue where crossed by the Branch Lines Company's railway (which latter portion of the city had, by said agreement of the 30th November, 1910, agreed to close) and to leave open the said portion of 18th avenue where the same was crossed by the Branch Lines Company's railway.

And whereas in pursuance of the said agreements and lease the Development Company commenced the erection of an hotel on the said parcel of land containing 1.43 acres and continued said work until the outbreak of the European war when the work was suspended.

And whereas the construction of said hotel has never been resumed and the said hotel is still in an unfinished state

And whereas the management and operation of the Pacific Company, the Branch Lines Company, and the Development Company, is now co-ordinated with the management of the National Company;

And whereas for financial and economic reasons the National Company, the Branch Lines Company, and the Development Company, deem it inadvisable to carry out certain of the undertakings entered into by the Branch Lines Company and the Development Company under the said agreements and lease hereinbefore recited.

Now therefore this agreement witnesseth as follows:

The city agrees:

1. To release, as it hereby releases, the Branch Lines Company of its obligations under the said agreement of November 30th, 1910, (a) to erect and maintain a station in the city of Regina, either at the corner of 16th street and Albert street or elsewhere, (b) to erect and maintain a hotel in the city of Regina; and/or (c) to erect and maintain railway terminal facilities other than those already constructed.

2. To release as it hereby releases the Branch Lines Company and/or the Development Company from the obligations of them or either of them under the said lease to erect an hotel in the city of Regina, either on the said parcel of land containing 1.43 acres or elsewhere.

3. To co-operate in every reasonable manner with the National Company, the Pacific Company and the Branch Lines Company in the extension of the Canadian National Railway system in the city of Regina and in the development of its traffic.

4. To forthwith grant and convey to the Branch Lines Company in accordance with the said agreement of 30th November, 1910, the right of way and lands particularly described in clause 3 (a) of the said agreement.

5. To join with the Branch Lines Company, the Development Company, and the National Company in an application to the legislature of the province of Saskatchewan for an act ratifying, confirming and validating this agreement and declaring to be legally closed the following streets and lanes—15th avenue, north of block 49, in the C.P.R. annex.

Edward street, west of lots 16, 17, 18, 19, 20 block 47 in the C.P.R. annex.

The lanes east of lots 11, 12, 13, 14, 15, block 46, and lots 16, 17, 18, 19, 20 block 47.

The lane through block 48, and the lanes through block 50, all in the C.P.R. annex.

And that portion of 17th avenue where the said 17th avenue is crossed by the Branch Lines Company's railway.

This agreement is subject in all respects to such act of the legislature being obtained ratifying, confirming and validating this agreement and declaring said streets and lanes to be legally closed.

The Branch Lines Company and the Development Company agree:

6. To surrender to the city free of all encumbrances all the right, title, and interest of them or either of them under the said lease of 16th September, 1912, and the said agreement of 18th October, 1912, in and to the said parcel of land containing 1.43 acres and in and to the buildings and erections on the said parcel and the appurtenances thereof, and to execute such other surrender of said lease as may be requisite.

7. To sell, assign, transfer and set over to the city the unerected steel and any other building materials presently stored on the said hotel site as set out in the inventory hereto attached.

The National Company, the Pacific Company and the Branch Lines Company agree:

8. Forthwith to enter into and prosecute negotiation with the Canadian Pacific Railway Company and in the event of the failure of such negotiations to make application to the Board of Railway Commissioners for Canada with a view to securing the right to operate into and out of the present Canadian Pacific Railway Company's station in the city of Regina, all the passenger trains of the Pacific Company and the Branch Lines Company, running into or out of the city and (upon securing such right) to thereafter run such passenger trains into and out of the Canadian Pacific Railway Company's station.

9. Forthwith to enter into and prosecute negotiations with the Canadian Pacific Railway Company and, in the event of failure of such negotiations, to make application to the Board of Railway Commissioners for Canada with a view to the establishment of the said Canadian Pacific Railway Company's station as a union station for the accommodation of the traffic of the Canadian National Railways and the Canadian Pacific Railway with suitable terminal facilities to take care of the passenger and general traffic (other than freight) of the Canadian National Railways System.

10. To join with the city in an application to the legislature of the province of Saskatchewan for the purposes specified in clause 5 hereof.

The Branch Lines Company Agrees:

11. That upon the acquisition of the rights referred to in paragraph 8 and 9 hereof (and subject to the approval of the Board of Railway Commissioners for Canada and the Lieutenant Governor in Council) it will discontinue the use of its right-of-way in blocks 447 to 455 in the city of Regina, also its station in block 455, and will take up all its tracks in said blocks and quit-claim to the city all these portions of streets and lanes in or abutting on said blocks which were closed for the purpose of the Branch Lines Company's railway in pursuance of the said agreement of 30th November, 1910.

The National Company Agrees:

12. Subject to parliamentary control to adopt as part of its policy for the development of its railway system in Saskatchewan the making of the city of Regina its principal railway centre for the southern part of the province and to give reasonable support to any movement on the part of the city or of the province of Saskatchewan for the construction of a connecting line of railway from the city of Regina to Avonlea in the province of Saskatchewan.

It is Mutually Agreed:

13. That except in so far as same is hereby modified the said agreement of 30th November, 1910, is hereby ratified and confirmed.

In witness whereof the Branch Lines Company, the Development Company, the Pacific Company, and the National Company, have caused to be hereunto affixed their respective corporate seals under the hands of their respective proper officers; and the city has hereto affixed its corporate seal under the hands of its mayor and city clerk, the day and year first above written.

Signed, sealed and delivered in the presence of:

The Grand Trunk Pacific Branch Lines Company
By Gerard Ruel,
Vice-President.

Secretary.

The Grand Trunk Pacific Development Company, Limited
By Gerard Ruel,
Vice-President.

Secretary.

The Grand Trunk Pacific Railway Company
By Gerard Ruel,
Vice-President.

Secretary.

The Canadian National Railway Company
By Gerard Ruel,
Vice-President.

Secretary.

Approved,
Sgd. Geo. P. Graham,
Minister of Railways and Canals.
Receiver

This is Exhibit "A" referred to in the affidavit of E. J. Hungerford. Sworn before me this 26th day of January, 1925.

Sgd. Douglas B. Smith,
Commissioner, Superior Court,
District of Montreal.

Mr. MEIGHEN: Perhaps the minister would tell us when the government's mind reopened on the subject after deciding to reintroduce the legislation. The minister said his mind was open in regard to this bill. I should like to know when the government's mind re-opened, after deciding to reintroduce this legislation.

Mr. GRAHAM: This government always has an open mind. It is one of the good characteristics of this government.

Mr. MEIGHEN: Open at both ends.

Mr. GRAHAM: I have some correspondence, and I wanted to hear the members interested in the matter without any restrictions.

If the members are not here I would not for a moment think of proceeding with it.

Progress reported.

PENSION ACT AMENDMENT

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved:

Resolved, that it is expedient to amend the Pension Act, and the amending acts, and to provide,—

(1) For pension to be awarded for total disability at the time of discharge to an ex-member of the forces suffering from venereal disease who saw service in a theatre of actual war;

(2) For extending the period during which the dependents of a man in receipt of a pension—classes 1 to 5—may be pensioned after his death;

(3) For a definite pension irreducible for two years in cases of pulmonary tuberculosis;

(4) For what the final payment shall be in cases of disability between five and fourteen per cent, and what conditions may affect such final payments;

(5) For amending section 27 of the act to make provision for payment not provided for in the existing statute;

(6) For conditions under which pension may be continued to dependent parents;

(7) For the awarding or refusal of a pension to a widow of a pensioner taking into consideration his condition at the time of marriage, and under what conditions pensions may be paid to prospective widowed mothers;

(8) For non-cancellation of pension for immoral conduct until after an opportunity for defence has been given, and for reinstatement of cancelled pensions in certain cases;

(9) For increased pensions to mothers whose husbands are physically helpless or in a dependent condition;

(10) For the amendment of the schedules to the act in such a manner as to make pension equal to the actual rate plus bonus, and to make an equitable division of childrens' pensions;

(11) For the reappointment of retiring members of the Federal Appeal Board and the continuation of three as a quorum.

Mr. ARTHURS: Would the minister in charge indicate what changes, if any, there are in the proposed bill from the bill of last year?

Mr. BELAND: In a general way the bill founded on this resolution contains the provisions of last year's bill, with a few other provisions of a minor character which will be more readily understood when the bill is distributed. As probably it will be more convenient for hon. members to discuss every clause of the bill in committee of the Whole after the second reading, I might perhaps suggest that we adopt this resolution immediately and that the bill be read a first time and be put down on the order paper for second reading, so that at the next sitting of the House, that is next week, we might be in a position to discuss the bill because hon. members will then have had time to see the different clauses.

Mr. ARTHURS: The point I was trying to raise was not what changes there were in the proposed bill from the old act, but what differences there were, if any, between the proposed bill and the bill of last year. If the minister will come prepared to do that at a later stage, I am quite agreeable to allowing the resolution to pass and the bill to be introduced.

Mr. MANION: I am perfectly agreeable also with my hon. friend from Parry Sound (Mr. Arthurs) and the other members to facilitate matters and allow the resolution to go through so that we can get into committee on the bill at the earliest possible moment. I would like to go on record, however, as saying once for all, in contradiction of any statements that may be made—which statements were made in fact—that we were in some way holding up this bill, that at no stage of the procedure have hon. members of this party done anything to hold up this legislation. We have not had, and we have not now, any desire except to facilitate the passing of this legislation, and send it on to the Senate as quickly as possible, so that there can be no holding of it up. There was no desire at any time on our part to obstruct. We did deal at some length with some questions, because they were important, but with no desire whatever to obstruct. At this time also it is our absolute desire to assist the minister in every way in getting the bill into committee.

Resolution reported, read the second time and concurred in. Mr. Beland thereupon moved for leave to introduce Bill No. 70 to amend the Pension Act.

Motion agreed to and bill read the first and second times.

Mr. BELAND: We are ready to go into committee now.

Mr. ARTHURS: At the next sitting of the House.

Mr. MANION: Just because we have not seen this bill at all until this very minute.

CANTEEN FUNDS

Hon. H. S. BELAND (Minister of Soldiers Civil Re-establishment) moved the second reading of Bill No. 32, respecting the disposal of the Canteen Funds.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 3—Central Board of Trustees.

Mr. MANION: I would ask the minister to make a statement in connection with this

clause, which we have discussed at some length.

Mr. BELAND: It was understood that we would amend clause 3 in order to cover an amendment which I promised my hon. friend from the Yukon (Mr. Black) we would be ready to make in connection with the share of the Yukon territory. If it is at all desirable, and I think it is, to make provision for a special share for the Yukon, we will have to amend clause 3 to provide for the creation of a board of trustees for the Yukon territory. Hon. gentlemen will remember that the bill provides for the appointment of a board of trustees for the provinces, and it was originally intended that the province of British Columbia would include the Yukon territory. By understanding we have altered the original proposition, and we intend to have the Yukon share as a province. For that purpose it will be necessary to amend clause 3 so that it will read about as follows, and if hon. gentlemen will follow clause 3 as it appears in the bill they see what additional words are inserted:

There shall be appointed by the Governor in Council a central board of trustees consisting of three members who shall serve without remuneration for the period of three years and shall be eligible for reappointment, and there shall also be appointed by the Governor in Council a board of trustees for the Yukon territory consisting of three members who shall serve without remuneration for the period of three years and shall be eligible for reappointment.

This simply makes applicable to the Yukon territory the provision for the central board of trustees. I therefore move in amendment to clause 3, Mr. Chairman, that the following words be added after the word "reappointment:"

—and there shall also be appointed by the Governor in Council a board of trustees for the Yukon territory consisting of three members who shall serve without remuneration for the period of three years and shall be eligible for reappointment.

Mr. BLACK (Yukon): It seems to me that it would be more appropriate to provide for the Yukon board under section 4 which relates to the appointment of provincial boards. The Yukon board corresponds to a provincial board, and provincial boards are provided for by section 4.

Mr. BELAND: In the Yukon there is no provincial government which we could vest with the power of appointing this board. That is the only reason why the appointment is left to the Governor in Council. When there is a provincial government it comes under the general provision for provincial appointments.

Mr. MANION: As to the central board of trustees—I am not questioning the Yukon provision at all—I remember that when we were discussing the matter before, the proposition was put forward that the appointment be made in a certain manner and we on this side put ourselves on record regarding it. It was suggested that Sir Arthur Currie should be one member of the central board of trustees, that a second trustee should be appointed by the different oragnizations of war veterans in the country, the third to be chosen by these two or in some other acceptable manner. I remember hoping at the time that the minister might have worked out some scheme along these lines for the bill itself. Has the minister made any progress in that direction?

Mr. BELAND: I have taken some steps in regard to the suggestions made by hon. gentlemen opposite to ascertain whether it would be agreeable to Sir Arthur Currie to serve on the board, for instance as chairman, and I am pleased to convey the statement to the House that Sir Arthur Currie expressed his readiness to serve in that capacity. In the course of conversation he naturally inquired who the other members of the board would be, and I intimated to him my intention of selecting one of the other trustees from a recommendation made by all the veterans' associations. I made it plain to him that such a man would not be appointed as second trustee until he, Sir Arthur Currie, was satisfied that all the soldiers' organizations were duly represented in effecting the nomination. As to the third member of the board the idea was to select one from the governing body of either the Canadian Red Cross or the Patriotic Fund.

Mr. MANION: Speaking for myself I wish to say that this arrangement is not altogether in agreement with what we had suggested, but it is so eminently fair that I do not think anybody can raise any objection to it.

Amendment agreed to.

Section as amended agreed to.

Section 4 agreed to.

On section 5—Majority to be ex-members of forces.

Mr. BELAND: I think we should amend this section somewhat, but as to that I am in the judgment of hon. members of the House. The amendment I would suggest is this: It has been brought to my attention that this clause provides for the appointment of a majority of ex-members of the forces, and that the canteen fund is a fund that was got together by men who served overseas only. I do not think I am mistaken in that; it is an overseas men's fund, and it was suggested to

me—I do not remember by whom—that instead of "ex-members of the forces" we should say "ex-members of the forces who have seen service overseas." If it is agreeable I would move that these words be added to clause 5: "who have seen service overseas."

Mr. CALDWELL: Are you going far enough in proposing to make that amendment? For instance, we had certain officers who only went to England and did not revert to the ranks and go to the front as privates as a great many of the officers did. I think possibly if the minister is going to make this amendment he should make it go all the way and apply it to men who had seen active service in the theatre of war. I do not think there is very much difference between the officer who served in Canada and the officer who went to England and stayed there. In fact I think the officer who stayed in Canada possibly performed the most onerous service here drilling men and was possibly more or less misunderstood, while the man who only went as far as England got a certain amount of glory out of it, that the officer who stayed in Canada did not get. I think that if the minister is going to make such an amendment he should make it go all the way.

Mr. BELAND: I might explain to my hon. friend that there is a difference, and a vital difference between a man who has served in a theatre of actual war like France, and the man who has served in England only. But—and I speak subject to correction—the canteen funds were collected from men who were overseas regardless of whether they served in France or in England. My hon. friend perhaps will agree with me that it would be somewhat unfair to exclude from the possibility of being appointed to this board those who served in England.

Mr. CALDWELL: I am not insisting on the point. I realize possibly that a large part of the fund was accumulated in England.

Mr. MANION: I remember that on a previous occasion amendments were moved from this side to secure a change, but it seemed to be the desire of the minister for the clause to remain as he had it.

Amendment agreed to.

Section as amended agreed to.

On section 6—Allotment of funds.

Mr. BELAND: In this connection the member for the Yukon (Mr. Black) suggested that the provision for the allotments in paragraph (e) of this clause should be altered in order to provide for a special share for the Yukon. It will therefore be necessary to amend paragraph (e). The amendment I have is couched in the following words:

(e) The residue shall be divided into ten different allotments in the proportion indicated by the following percentages:

The word "allotment" is put in in place of "provincial allotments" because the Yukon is not a province. That is the only reason for making the change; it does not make any difference so far as the provinces are concerned; it is a general and a generic term. As amended the section will read:

The residue shall be divided into ten different allotments in the proportion indicated by the following percentages:

	Per cent
Alberta	7.752
British Columbia and the Yukon	10.944
Manitoba	10.654
New Brunswick	4.072
Nova Scotia	5.549
Ontario	41.237
Prince Edward Island	.731
Quebec	11.622
Saskatchewan	7.162
Yukon Territory	.269

And on appointment as hereinafter provided of a provincial board of trustees, or of a board of trustees for the Yukon territory, the provincial or Yukon allotment shall immediately be paid to such board.

The latter part of this section is altered or modified just to meet the case of the Yukon territory. I have already explained how the Yukon territory share was arrived at. It is a generous allotment, but not too generous, and I think it should be accepted by hon. members.

Mr. LADNER: May I suggest to the minister that after the word "percentages" he should add the words "for the provinces or territories herein specified." The minister will note that when he takes out nine additional allotments he does not relate the allotments to the jurisdiction. He simply divides them up without specifically relating them to some province or jurisdiction.

Mr. BELAND: There is no objection to that amendment, but I do not think it is necessary.

Mr. LADNER: The schedule of the agreement sets out the distribution, but the clause which is operative in distributing the fund is the first three lines, and that does not relate to any jurisdiction or province. I suggest that after the word "percentages" these words be added: "For the provinces or territories herein specified."

Mr. BLACK (Yukon): Would the minister tell us how the percentages are made

up in the case of the Yukon and British Columbia? As I make the calculation, on the basis used by the Ralston commission, on whose figures I believe the calculation is made, the percentage will work out, when you separate the Yukon allotment from that of British Columbia, as follows:

British Columbia 10.710, Yukon .503, instead of the figures given by the minister of 10.944 British Columbia and .269 for the Yukon. The calculation is based as I understand it on the percentage of enlistments, that is, as the enlistments 51,430 from British Columbia are to the enlistments for the Yukon, 2,327, so is the whole amount of 11,213 for British Columbia and Yukon combined to be allocated. And that works out at .503 for the Yukon, instead of the amount which the minister gives, which is not more than half.

Mr. BELAND: I appreciate the desire of my hon. friend to increase the allowance to the Yukon. I may tell him that I was actuated by a desire to make the Yukon share as large as possible, but the percentages were arrived at in every province by taking the enlistments, discharges and the pensioners. In the case of the Yukon we have no figures of discharges, apparently no discharges have taken place in the Yukon. And so I was face to face with this situation: How could we arrive at a reasonable average for the Yukon? As the Yukon was together with British Columbia in the first instance, I thought that if we applied to the Yukon the same proportion betwen enlistments and discharges as exists in British Columbia proper it would be eminently fair, and I asked one of the officials to work it out. He has worked it out, and it comes to the percentage I have given, that is, .269. That will give the Yukon $6,321. We must bear in mind that the population of the Yukon has decreased considerably. In 1911 the population of the Yukon was 8,512 and in 1921 it had been reduced to 4,156. It is only reasonable to presume that the population of the Yukon today is less than it was in 1918 and 1919 when the discharges took place. The number of the pensioners in the Yukon territory is only nine. I doubt if there is a very large number of returned men in the Yukon, and if my hon. friend will accept the advice I received from officials who have looked into the question carefully he will be satisfied that the share of the Yukon, everything considered, is larger in proportion than that of British Columbia. I do not begrudge it, and I do not think hon. members from British Columbia begrudge it. We are very generous in this regard. I think the percentages have been arrived at in a very logical and reasonable manner.

Mr. LADNER: The minister has stated that the proportion allotted to the Yukon is already larger than that given to British Columbia. My question is, how much larger is it proportionately?

Mr. BELAND: There are no figures of discharges available for the Yukon; so that if you take zero as the number of discharges, it reduces immensely the average of the Yukon by probably two or three thousand dollars.

Mr. BLACK (Yukon): The minister said on previous occasions when the matter was being discussed as regards taking the figures of the Ralston report, that the calculation is based on enlistments, that is the enlistments in British Columbia as against the enlistments in the Yukon. If that is the basis it does not work out to the result the minister has given.

Mr. BELAND: Does it not?

Mr. BLACK (Yukon): No, the enlistments as given for British Columbia are 51,430 and for the Yukon 2,327. I take these from the department's figures. The Yukon and British Columbia combined get a percentage of 11.213 but in the proportion of 51,430 to the 2,327, it works out at 10.710 for British Columbia and .530 for the Yukon, making the total of 11.213. I am certain my calculations are correct as I have worked them out on that basis a number of times. I would like an opportunity of checking up with the minister's officials—if he will allow that—these calculations before this section goes through.

Mr. BELAND: The figures of the Ralston report have been altered somewhat because, at that time, the figures for discharges were not complete. Since then they have been adjusted by the Department of National Defence under the Hollerith system. The figures upon which these percentages have been based have been supplied to us by the Department of National Defence, and they are considered to be absolutely accurate.

Mr. LADNER: Is it not some kind of composite figure of enlistments, discharges and pensioners that is worked out?

Mr. BELAND: Yes. These are the figures that have been supplied to me, and I have no reason to believe they are not accurate. In British Columbia the total enlistments were 51,438. Is that right?

Mr. BLACK (Yukon): I have 51,430.

Mr. BELAND: I have eight more than my hon. friend. The figure for discharges is 32,621. Do we agree there?

Mr. BLACK (Yukon): I did not understand that discharges were being taken into consideration in the calculation, as there were no discharges in the Yukon.

Mr. BELAND: They are being taken into consideration. In order to arrive at an equitable average for the Yukon, we had to apply some figures of discharges. How could we arrive at a figure of discharges? We arrived at it by applying to the Yukon the same proportion as existed in British Columbia proper between enlistments and discharges. Applying this proportion to the Yukon, though there were no discharges there, we find that there should have taken place in the Yukon 1,244 discharges.

Mr. CLARK: Is the minister crediting the Yukon with discharges that should have taken place there?

Mr. BELAND: Yes, based on the same ratio as in British Columbia.

Mr. CLARK: Under those circumstances, the percentage given to the Yukon is certainly fair.

Mr. BELAND: Not only fair, but generous.

Mr. CLARK: I have no objection to the matter being reviewed by the department, but if so, I think British Columbia members should be given full information and an opportunity of being consulted.

Mr. BLACK (Yukon): British Columbia is getting the credit of practically all the discharges, because the Yukon men for the most part took their discharges in British Columbia, and British Columbia is being credited with discharges of men who did not come from British Columbia at all.

Mr. BELAND: I realize that.

Mr. MANION: Clause 6 covers all the sub-clauses. I want once more to put on record my opinion, that of the hon. member for Parry Sound (Mr. Arthurs), the hon. member for Burrard (Mr. Clark), I think the hon. member for the Yukon (Mr. Black) and several others, that this $100,000 item should not have been taken from the canteen fund at all. But some adjustment bureau is necessary, and that adjustment bureau really should be paid for by the people of Canada generally. We are not, however, intending to fight the matter, but we wish to reiterate our attitude that this $100,000 should have been left with the remainder of the canteen fund to be distributed with the canteen fund as a whole.

Mr. BELAND: I am not a fanatic on the subject either, but it is introduced in the bill because it was so recommended by the Ralston commission.

Mr. BLACK (Yukon): I would not wish to delay the legislation at all, but if it can be done without such a result, I would like an opportunity of checking up the Yukon item before this clause of the bill finally goes through.

Mr. BELAND: We will hold it for the third reading.

Section 6 as amended agreed to.

On section 8—Regulations.

Mr. BELAND: It will be necessary to amend this clause in order to fit in with the rest of the bill as regards the Yukon territory. If hon. gentlemen will follow me, I will read clause 8 and they will note where the additional words are put in:

> The Governor in Council may make such regulations as may be deemed necessary for the guidance and direction of the Central Board of Trustees and for the guidance and direction of the board of trustees for the Yukon territory, and the Lieutenant Governor in Council of any province may make such regulations as may be deemed necessary for the guidance and direction of the provincial board of trustees of his province, provided that the duties of the provincial board of trustees and the board of trustees for the Yukon territory shall be to receive and hold the provincial allotment or the Yukon allotment, as the case may be, and to ascertain by such method as may appear to them most feasible, the wishes of those most interested and residing in the province, or in the Yukon territory, concerning the disposition of such allotment, and following this, to determine the object to which the allotment should be devoted, and, as far as may be necessary, to administer the same for such object or to provide for such administration by others and to do such other things as may be indicated in the order in council appointing them.

It is the same section with the additional words which have reference to the Yukon territory.

Mr. LADNER: The section is not altogether clear as to what the Governor in Council does. It says:

> The Governor in Council may make such regulations as may be deemed necessary for the guidance and direction of the central board of trustees.

Why would the Governor in Council make any regulations at all beyond putting the money into the hands of Sir Arthur Currie and his associates, the trustees? They would be the parties to make the regulations as to its distribution, after investigation, or in the case of a province, the trustees of the province, having received the money under the conditions of trust should be the ones who

should make the regulations. This section as it stands gives wide-open authority to both the Governor in Council and the Lieutenant Governor in Council to make unlimited regulations. In fact, they may even prescribe the way in which the money shall be expended. The whole idea of having this independent board is to detach the expenditure of this money from governmental control or influence.

Mr. BELAND: I think it is customary to provide such a clause in every bill, that the governor in council shall make the regulations. It is not the desire of the government, nor do I think they would have the power, to direct what the board of trustees should do in the distribution of the money. The nature of the work to be undertaken with the money in their hands would be entirely for the board of trustees to decide, but the regulations will set a certain procedure to be followed, which I take it would not in any degree interfere with their free action.

Mr. LADNER: As I understand it, the purpose of these regulations is to prescribe in a more or less routine manner the method by which the money shall be placed in the hands of the trustees. I take it that the regulations will not control either the destiny or the expenditure of the money but that this will be left to the board of trustees in the discharge of their duties under the act.

Mr. ARTHURS: When this matter was up before, I stated that I was strongly in favour of the act as it stands and that I thought there should be as few restrictions as possible of the actions of the board of trustees. As I said then, and as I repeat now, we have had great difficulty in this House in deciding how to dispose of these funds which have been a trust with the government for some years. I would point out however that when these regulations are mentioned absolutely nothing is said about the amount of $100,000 for the adjustment board; no regulations are prescribed governing the manner in which that money should be spent. As an hon. member has said, we object strongly to that section, and I personally think it is a mistake that any portion of the money should be used for the purpose provided; it should be a general charge on Canada.

Section agreed to.

On section 9—Expenses charged to allotment.

Mr. BELAND: It will be necessary to make a slight amendment to this clause. The section as amended should read:

The expenses incurred by the central board of trustees, and the board of trustees for the Yukon territory, and any provincial board of trustees in connection with the said trust shall be a charge on the allotment.

Mr. ROSS (Kingston): Wherein does section 9 differ from sub-section (b) of section 6?

Mr. BELAND: It differs inasmuch as it adds the Yukon territory.

Mr. LADNER: The change made in section 8 is I presume to meet the new idea with regard to the Yukon?

Mr. BELAND: That is the only change.

Amendment agreed to.

Section as amended agreed to.

On section 10—Vacancies.

Mr. BELAND: I move that section 10 be amended to read as follows:

Any vacancy in the membership of the central board of trustees, or of the board of trustees for the Yukon territory, due to death or resignation, may be filled by the Governor in Council, and any vacancy similarly caused in the membership of a provincial board of trustees may be filled by the Lieutenant Governor in Council.

Amendment agreed to.

Section as amended agreed to.

On section 11—General principles of allotment.

Mr. BELAND: I move to amend the first paragraph of this section to read:

Without limiting the powers hereby conferred on the Governor in Council or on the Lieutenant Governors in Council, the following general principles shall govern any distribution or apportionment of the amounts allotted to the board of trustees for the Yukon territory or to the said provincial boards of trustees.

Amendment agreed to.

Section as amended agreed to.

On section 12—Reports to minister.

Mr. BELAND: I move to amend this section to read:

A report shall be made as of the 31st day of March in each year to the Minister of Soldiers' Civil Re-establishment by the central board of trustees, by the board of trustees for the Yukon territory, by the provincial boards of trustees, and by any other bodies or organizations to whom allotment has been made, setting forth the work accomplished during the preceding twelve months, the amount expended and the balance on hand.

"Other bodies or organizations" probably includes the Red Cross in the United States to which a certain allotment is made by the bill.

Bill reported.

GOVERNMENT ANNUITIES ACT 1908 AMENDMENT

Hon. JAMES MURDOCK (Minister of Labour) moved:

That it is expedient to amend The Government Annuities Act, 1908, to provide that an annuity shall not be granted or issued for an amount less than ten dollars a year.

He said: At present, Mr. Speaker, the minimum government annuity that can be purchased is $50. The proposal is to permit the purchase of a government annuity of $10, one of the important reasons being that we find a number of employers throughout the country would like the opportunity of purchasing, for an old and valued employee maybe as a Christmas present, a straight $10 annuity, but $50 they consider a little too large. Preparatory to such an amendment as this, we have had on deposit for quite a while from one concern alone a sum of money for the purchase of these smaller annuities, and we think it will enlarge the usefulness of the Annuities Act to make this amendment.

Mr. MEIGHEN: There seems to be no objection to the amendment, except that it will doubtless add substantially to the clerical work.

Mr. MURDOCK: I am told that it will not. I have before me a brief statement of the single cash payment required to be made on plan "A", "B" or "10-year guaranteed" which I think would be of interest to hon. members.

Sir HENRY DRAYTON: I would suggest that the minister place the statement on Hansard.

Mr. MURDOCK: It shows the cost of a $10 or a $50 annuity under the various plans.

Mr. MEIGHEN: What is the interest basis?

Mr. MURDOCK: Four per cent. I will place this memorandum on Hansard if there is no objection:

Memorandum of the single cash payment required to be made on plan "A", "B", or "10-year guaranteed" by a man of 21, 26, 35 or 45 to secure at 65 an annuity of $10 or $50.

	$10			$50		
Age	"A"	"B"	"10-year Guar."	"A"	"B"	"10-year Guar."
21	$15 70	$ 8 25	$18 65	$78 51	$ 41 25	$ 93 24
26	19 10	10 38	22 69	95 52	51 89	113 43
35	27 19	15 83	32 29	135 96	79 14	161 45
45	40 25	25 88	47 80	201 25	129 38	238 99

Under plan "A", in event of death before 65, the purchase money with 4 per cent compound interest will all be returned to the purchaser or his legal representatives. After 65, annuity ceases with the last payment received by the annuitant prior to his death.

Under plan "B", in case of death before the annuity begins, there will be no return of any part of the purchase money.

Under the "10-year guaranteed plan", in event of death before 65 the purchase money with 4 per cent compound interest will be returned. If the annuitant lives to be 65 the annuity will be paid in any event for 10 years, and will be continued as long thereafter as he may live.

Resolution reported, read the second time and concurred in. Mr. Murdock thereupon moved for leave to introduce Bill No. 71 to amend the Government Annuities Act, 1908.

Motion agreed to and bill read the first time.

Mr. SPEAKER: It is six o'clock. Shall we adjourn?

Mr. MEIGHEN: I hope the government does not propose to ask members to come back to-night. We may come back physically, but we would hardly come back with our faculties.

6 p.m.

Mr. MACKENZIE KING: Mr. Speaker, there are a few resolutions on the order paper that we wish to deal with.

[Mr. Beland.]

Mr. MEIGHEN: Why not go ahead for a little while now?

Mr. MACKENZIE KING: That is a good suggestion, Mr. Speaker, if the House approves.

Mr. SPEAKER: By unanimous consent, we will go ahead for a little while.

PUBLICATION OF THE STATUTES

Hon. JAMES MURDOCK (Minister of Labour) moved the second reading of Bill No. 41 respecting the publication of the statutes.

Mr. MEIGHEN: The minister may have explained this bill before, but I could not have been here. What is the nature of the bill?

Mr. MURDOCK: I am told by the King's Printer and others having to do with the publication of the statutes that in a number of particulars the present act is obsolete and unworkable and has not in some particulars been observed in accordance with the actual text for a number of years.

Mr. MEIGHEN: Could the minister give an example?

Mr. MURDOCK: For instance—

Mr. MEIGHEN: The Wheat Board Act would be an example, would it not?

Mr. MURDOCK: No. This bill of course would not have to do with that measure.

Mr. MEIGHEN: I meant an example of a statute that never had worked and was unworkable now.

Mr. MURDOCK: No, I think a little later we may be able to show that that act has worked to some extent. But we are not dealing with that now.

Sir HENRY DRAYTON: The minister is optimistic to-day.

Mr. MEIGHEN: That act is dead now.

Mr. MURDOCK: For example, section 7 of the act is said to be out of date, and it is proposed to insert these words:

The clerk of the parliaments shall also furnish certified copies of the acts hereinbefore mentioned to any department of the public service of Canada or of any province or territory within Canada, or to any person applying therefor.

Then in section 10, which provides for the printing and binding of the statutes, the underlined words "part" and "parts" replace the words "volume" and "volumes", and the word "and" replaces the word "or". For many years the practice has been to bind only one volume but occasion may arise when it will be necessary to have a second volume bound and the change has been made accordingly.

Motion agreed to and the House went into committee, Mr. Marcil (Bonaventure) in the chair.

Sections 1 to 6 inclusive agreed to.

On section 7—Certified copies of acts to be furnished on application.

Sir HENRY DRAYTON: There is a change in this section that might be explained.

Mr. MURDOCK: That is the change I referred to a short time ago. It is desired to make clear to whom the clerk of the parliaments should furnish certified copies of any of the acts mentioned in the bill.

Section agreed to.

On section 8—Certificate to be inserted at the foot of every copy of acts required to be certified.

Sir HENRY DRAYTON: There is no change in this, I think?

Mr. MURDOCK: No.

Section agreed to.

On section 9—Certified copy of every statute to be furnished to the King's Printer.

Sir HENRY DRAYTON: There is a change in this.

Mr. MURDOCK: There is a slight change. The words "part" and "parts" are inserted for the "volume" and "volumes".

Sir HENRY DRAYTON: That is section 10.

Mr. MURDOCK: Subsection 2 of section 10.

Section agreed to.

On section 10—Acts to be printed in two separate parts, what each shall contain.

Mr. MEIGHEN: What is the effect of the change in section 10?

Mr. MURDOCK: This provides that the two parts referred to in subsection 1 shall be bound together in one volume unless it is impracticable or inconvenient so to do; in such case the King's Printer may authorize the same to be bound in two or more volumes. It simply gives the reasonable latitude that has already been allowed.

Sir HENRY DRAYTON: That is the practice now?

Mr. MURDOCK: Yes.

Section agreed to.

On section 11—How statutes shall be printed and bound.

Sir HENRY DRAYTON: Are we changing the type at all?

Mr. MURDOCK: As hon. gentlemen will see by the marginal note, the amendment discards obsolete printer's phraseology and substitutes modern trade terms. The reference to binding conforms to the practice of the past few years. The quantity to be bound in half-calf will be specified by the Governor General in Council, the joint committee on Printing having taken no action upon these lines for many years.

Sir HENRY DRAYTON: Would the minister tell us whether in changing from old terminology to modern terminology we are going to change the character of our printing? I apprehend not, but I want to know from the minister.

Mr. MURDOCK: Not at all. We are simply legalizing by the act what is now being done and has been done for years.

Mr. MEIGHEN: Was not the act more thorough as it was originally?

Mr. MURDOCK: No. It is thought that this is more concise and more nearly in accord with existing practice.

Mr. MEIGHEN: This act seems to be for the purpose of legalizing violations of the law which have taken place for years.

Mr. MURDOCK: The right hon. gentleman may be right.

Section agreed to.

Sections 12, 13 and 14 agreed to.

On section 15—Payments to be made by a promoter.

Mr. MEIGHEN: Who fixes the charges for the statutes?

Mr. MURDOCK: The Clerk of the House.

Mr. MEIGHEN: The House of Commons?

Mr. MURDOCK: The House in which the legislation is introduced.

Mr. MEIGHEN: No, I mean for the revised statutes.

Mr. MURDOCK: Those will be fixed by the committee on Printing and Stationery I think, and approved by the Governor in Council.

Mr. MEIGHEN: Does the statute fix, and if so in what section, who are entitled to the statutes free? If the statute does not fix it, who has authority to do so?

Mr. MURDOCK: I am not just clear about that. I am of the opinion that it is fixed under another regulation.

Sir HENRY DRAYTON: As I recollect it, the statute does not cover the question of cost at all. As we have it to-day the question of cost, I think, has to be fixed at the time the private bill is submitted. I think that is correct; I do not think it is in the statute anyway. I suppose the change here transfers the authority to fix the amount to be paid for private legislation from the King's Printer to the Clerk of the House, who is in custody of the legislation. Am I right?

Mr. MURDOCK: Yes.

Mr. MEIGHEN: What is the practice now as to the distribution of the statutes year by year, and as revised? There are certain parties who get them free and others who cannot. How is that regulated?

[Mr. Murdock.]

Mr. MURDOCK: By the committee on Printing and Stationery. There is also, I believe, a regulation prescribing to whom the King's Printer shall issue the statutes free and whom he shall charge.

Mr. MEIGHEN: Then, as a matter of fact, the list of those entitled to free distribution of the statutes is under the control of the joint committee on Printing?

Mr. MURDOCK: No, I would not say that. The regulations governing the King's Printer determine who is entitled to free distribution.

Mr. LAPOINTE: I think the Revised Statutes Act mentions certain classes of persons to whom the statutes are free, members of parliament, for instance—

Mr. MEIGHEN: That is what I thought.

Mr. MURDOCK: Clause 16 only provides for the publication of the statutes. It does not deal with the question that my right hon. friend has raised.

Sir HENRY DRAYTON: I hesitate to take issue with my hon. friend the Minister of Justice upon a purely legal point with which he is very familiar, or with the minister in charge, but if we look at section 10, it will be seen exactly who is entitled to distribution, and it will also be seen that the whole matter is in the hands of the Governor in Council, not the King's Printer. The Governor in Council has the responsibility thrown upon him under this legislation.

Mr. MEIGHEN: Yes, that is covered by section 10. Those entitled are members of the two houses of parliament, "who shall each be entitled to receive such number of copies as is, from time to time, directed by the Governor in Council." I fancy everybody should have the same right. I do not know that the Governor in Council should have the right to give one member a dozen copies and another member none. Then also such public departments, administrative bodies and officers throughout Canada as the Governor in Council from time to time directs may receive free copies. That is quite right, but I think (3) (a) should be changed so as to give every member the right to one set of statutes.

Mr. MURDOCK: I understand that is the regulation now, and this does not change that in any way. Each person entitled to one copy of the statutes now would still under the paragraph my right hon. friend cites be entitled to receive one copy.

Mr. MEIGHEN: What I mean is it should not be put under the Governor in Council,

it should be statutory, one copy for each member.

Mr. LAPOINTE: Of course the order in council applies to all the members and not to any special number of them.

Sir HENRY DRAYTON: I really thought my hon. friends were so afraid of this order in council regulation and that sort of thing that they would like to get rid of it if they could. I merely point out that the Minister of Labour is not quite correct when he says this is the present practice, because if he looks at the note on the opposite page of his own bill he will find this provision:

> The members of the two Houses of parliament respectively, who shall each be entitled to receive such number of copies as is, from time to time, directed by joint resolution of the said Houses, or in default of such resolution, as is directed by the Governor in Council.

That is how the matter has been dealt with before.

Mr. MURDOCK: I think my hon. friend will find that this government, since taking office, has made no change in the regulations governing this matter.

Section agreed to.

On section 16—Cost of printing.

Mr. CLARK: What progress is being made with the revision of the statutes?

Mr. LAPOINTE: That is a question which should be addressed to me, although it has nothing to do with this bill. However, the revision is progressing favourably.

Mr. MEIGHEN: Favourably for the commissioners or for the country?

Mr. LAPOINTE: For the country, I hope.

Mr. CLARK: Can the minister say on what date approximately they are likely to be published?

Mr. LAPOINTE: I cannot say definitely now, but I hope to be able to give an approximate date before the end of the session.

Mr. MEIGHEN: Will the minister say whether the work that was done—very intensive and I think very thorough work—by Mr. O'Connor has been cast aside or has it been utilized?

Mr. LAPOINTE: It has not been.

Mr. MEIGHEN: Why?

Mr. LAPOINTE: For certain reasons. One of them is that we would have to pay to get the material from Mr. O'Connor.

Mr. MEIGHEN: It would be far better to pay for the material than to get it all done over again.

Mr. LAPOINTE: That is not the opinion of the officers of the department.

Section agreed to.

Section 17 agreed to.

Bill reported, read the third time and passed.

WAR CHARITIES ACT

Hon. A. B. COPP (Secretary of State) moved the second reading of Bill No. 47, to repeal the War Charities Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Act repealed.

Mr. MEIGHEN: In introducing this bill the minister explained that the act was intended for war-time only, or rather for the time usually embraced in that term, and that its usefulness had now been extinguished by time. The purpose of the law was, as I recall it, to keep some supervision over the creation and operation of various charities which were making insistent appeals to the public under the pressure of war influences, and imposing in very considerable degree upon the public. The act provided for registration of those societies, for returns from time to time of what they were doing, and generally protected the public against unnecessary and perhaps dishonest appeals. The minister explained that there was now only a small portion of these societies in existence which sprang up in that period, and of that small portion a great part was composed of the I.O.D.E.'s—Imperial Order of Daughters of the Empire. I quite agree that, as respects that association, at the present day there would be no need of supervision, but there might be need as to others. Perhaps the minister would tell us how many others there are, what they are, and about what the extent of their operations is.

Mr. COPP: My hon. friend is right in regard to the purposes of the act. It was intended during the war to keep a supervision over the operations of these various charities and to prevent them making appeals for charitable purposes and perhaps defrauding and imposing upon the public. During the time the war was on there were 846 charitable associations registered in the department for

this work. Since the close of the war 631 have been removed from the register, leaving outstanding 175. Of these outstanding 143 are chapters of the Imperial Order of the Daughters of the Empire. Thirty-two others are outstanding.

Mr. MEIGHEN: What are they?

Mr. COPP: I have not the names of the organizations. Officials of the department tell me that there is very little being done in any of the organizations except the Daughters of the Empire, and that there will be no need to continue the supervision provided for by the act. The act imposes considerable work on these organizations. They have to make returns to the department every six months of the money they collect and what they do with it. It was thought it was no longer necessary to continue it in force. It is imposing a burden upon the associations.

Mr. MEIGHEN: I can see the wisdom of relieving the Daughters of the Empire of an unnecessary obligation, but I should like to know what the other charities are before taking the hand of control off them altogether. There is no doubt at all that some years ago there was a great deal of imposition on the public—and there would be yet if there were not supervision—by these various charitable organizations. A large section of the public and unfortunately the very best section of the public, is very readily imposed upon; and, without question, the control which was exercised protected many people against possible fraud and certainly imposition approaching fraud. It may be quite true that very little is done now, but is it not likely that that is due to the fact that the supervision and control is there, and consequently people do not try to continue in that line? Would it not be better to pass legislation enabling the Governor in Council to relieve the Daughters of the Empire from the obligation, and at the same time maintain the power of control in the way in which it at present exists? I do not see any need of repealing the whole act.

Mr. COPP: There is no particular need of repealing the whole act, if the House thinks it better to have the control of these few other organizations outstanding. I have not the names of the organizations, but I shall be glad to get them for my right hon. friend on the third reading, if that is satisfactory, or if he so desires, I have no objection to letting the bill stand.

Mr. MEIGHEN: We might rise, report progress and ask leave to sit again, for this reason. If the minister brings the list of these organizations, it might appear that the wise course would be to give the Governor in Council power to relieve from making report such organizations as he decides. I know that would enable the Governor in Council to repeal the act; but if the list were before the House, the House might see fit to leave the control as respects all and sundry and especially as respects new creations, because without question there would have been many more of these organizations over the 800 if it had not been for the check placed upon them by the statute.

Mr. STEVENS: I am just reminded that to-day or yesterday in the mail I received a circular—and this is a typical illustration of the point to which my right hon. leader is referring—of some institution or association in Toronto appealing for funds for the relief of starving children in Armenia. What struck me when I received this circular was this. I suppose the most notorious impositions and frauds have been perpetrated upon the people of Canada by persons purporting to be sponsors for the relief of Armenians. I do not know of any part of the world in connection with which more fraud has been perpetrated in the name of charity. Of course in some cases, perhaps many, the objects are very meritorious and deserving. I wonder if the minister has received a similar circular, and if this is one of the charities that is now under control or license or whatever the form is. I wonder further whether any officer has actually investigated these people—they may be first class; I know nothing of them—to see whether they are truly meritorious. As I have already intimated, a frightful amount of fraud has been perpetrated on the people of Canada by spurious institutions purporting to be working on behalf of suffering humanity in some part of the world.

Mr. COPP: A copy of this circular may have come to the department, but I have not received one. I have no desire to press this legislation. My object is merely to get what would be best for all the charitable organizations that are doing work in this country and to protect as far as possible all the people who are giving to charity. The suggestion made by my right hon. friend might be a very reasonable one, to consider changing the act to such an extent that the Governor in Council could relieve certain organizations from giving reports. My right hon. friend desires to get some information with regard to some 32 organizations. In the meantime we can report progress.

Sir HENRY DRAYTON: I should like to make a suggestion in connection with the Daughters of the Empire. The position of my hon. friend, I understand, is that the reason this bill is brought forward is that the Imperial Order of the Daughters of the Empire have many different organizations, and it is a hardship upon them and an expense to them to be compelled to make these reports.

Mr. COPP: One hundred and forty-three.

Sir HENRY DRAYTON: Of course we know this is a very meritorious institution. The act itself defines war charities, mentioning "any fund, institution or association, other than a church or the Salvation Army." It starts out with some exceptions, and perhaps there are some later on. What I would suggest to my hon. friend is that he could well amend his bill and do what he wants to do in respect of helping the Daughters of the Empire by inserting after the word "army" in the second line of paragraph (b) of section 2, the words: "The Imperial Order of the Daughters of the Empire". This would exempt them from the provisions of the act.

Progress reported.

DAIRY PRODUCE ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Dairy Produce Act, chapter 28 of the statutes of 1921, by providing that the Governor in Council shall have power to make regulations for refusing to grade dairy produce and for withholding grade certificates.

Mr. MEIGHEN: I really do not know whether this is very contentious or not, but coming as it does from the Minister of Agriculture, the presumption is that it is.

Mr. MOTHERWELL: I do not think it will be contentious.

Mr. MEIGHEN: The present moment is not a good time for precipitating this in the House. I presume all the minister wants is to get it to the committee.

Mr. MOTHERWELL: I have discussed it on the estimates before and the ex-Minister of Agriculture (Mr. Tolmie) is quite agreeable to it.

Mr. MEIGHEN: If the minister will give the House the assurance that the hon. member for Victoria City approves it?

Mr. MOTHERWELL: Yes, and I will give the further assurance that I will refer all these bills to the committee on Agriculture so that they will come back to the House.

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

Mr. MOTHERWELL: This is merely to legalize what we are doing already, where a creamery individual persists in breaking the law, that is in adulterating either butter or cheese. Reports have come back from Great Britain that a few of our exports of butter and cheese have been adulterated. It sometimes pays the offender better to pay the fine than to stop the adulteration, and we want authority to refuse to grade these articles because we find that is very effective. We are doing this now, but somebody may challenge our right and we want to have that right.

Mr. MEIGHEN: Does the minister assure us that the hon. member for South Oxford (Mr. Sutherland) is in favour of this legislation too?

Mr. MOTHERWELL: I think he is. He is a good dairyman.

Resolution reported, read the second time and concurred in. Mr. Motherwell, thereupon moved for leave to introduce Bill No. 72, to amend the Dairy Produce Act.

Motion agreed to and bill read the first time.

THE MEAT AND CANNED FOODS ACT, 1907, AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend The Meat and Canned Foods Act, chapter 27, of the statutes of 1907, by providing,—

(a) That, for the purposes of the act, canned foods shall include foods that have been preheated, cooked, preserved, condensed, evaporated, dehydrated, dried or otherwise processed or prepared for food, and are placed in any closed can, bottle, package or container;

(b) That all canned fruit or vegetables or products thereof, or any food or food products which may be named by the Governor in Council, shall be offered for sale only in such cans or other containers as the Governor in Council may by regulations prescribe, and such cans or containers must contain the quality, quantity or weight prescribed by the regulations.

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

Mr. MEIGHEN: I think we have rushed through about as much business as we are justified in passing to-day. I do not like to take too much responsibility in this regard. Can the minister say that he has discussed this matter with the hon. member (Mr. Tolmie)?

Mr. MOTHERWELL: No, I did not discuss it with him but he is quite familiar with the act. This is not a new law; it was administered by his department. The amendment merely proposes to change the basis of the can from so many cubic inches to a specific weight.

Mr. MEIGHEN: It is impossible for one not recently connected with agriculture— and my very close connection with it ceased a little while ago—to measure the real importance of a resolution of this kind. Probably there are hon. members who can, but there are some hon. gentlemen who ought to be here when such a resolution is being considered and who are not now present.

Mr. MOTHERWELL: I may tell the hon. gentleman that I intend to ask that all these bills shall go to the Agricultural committee after the second reading. Thereafter they will come back here and go through committee of the Whole.

Mr. MEIGHEN: I shall be prepared to let this resolution have the second reading but I hope that the government will not ask us to pass any other measures to-day.

Mr. STEVENS: Does the reference to canned foods in this resolution include canned salmon or canned fish generally?

Mr. MOTHERWELL: No, that comes under the Minister of Health.

Mr. STEVENS: Will the minister make sure of that?

Mr. MOTHERWELL: I will.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 73 to amend the Meat and Canned Foods Act, 1907.

Motion agreed to and bill read the first time.

On motion of Mr. Mackenzie King the House adjourned at 6.50 p.m.

Monday, May 4, 1925

The House met at three o'clock.

MICHAEL O'LEARY V. C.

On the Orders of the Day:

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, I should like to draw the attention of the Minister of Justice to the case of Michael O'Leary, who won the Victoria Cross at the front and who is, I understand, in gaol in the United States without trial, on some charge, not a very serious one, I believe. I understand that some of the municipalities along the Niagara frontier, or in that neighbourhood, have sent letters asking the Minister of Justice to do anything he can to have the trial expedited. I draw the attention of the Minister of Justice to the matter and ask him, if possible, to do anything he can on behalf of this poor fellow to see that he gets a speedy and fair trial.

Hon. ERNEST LAPOINTE (Minister of Justice): I will make it my duty to inquire into the circumstances attending the case with a view, if possible, to meeting my hon. friend's wishes.

DEATH OF MR. A. B. HUNT, M.P.

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members of the House will have learned with feelings of sorrow and great regret of the death at eight o'clock this morning, at the Ottawa Civic Hospital, of one of our number, Mr. Aylmer Byron Hunt, member for the constituency of Compton in the province of Quebec. During the last year or two Mr. Hunt has been in ill-health, having had to undergo several operations. He has, however, been regularly in attendance throughout the present session and was in his seat in parliament as recently as ten days ago, at which time he went to the hospital in order to undergo another operation. His impaired strength and vitality were unequal to the tax which the operation placed upon them, and I am informed, he died this morning from its effects.

Mr. Hunt was in his sixty-first year. In point of service he was one of the oldest representatives in the Commons. He entered parliament over twenty years ago, having been first returned as the member for Compton in the general elections of 1904. He continued to represent that constituency in all subsequent parliaments, save the one following the general elections of 1911, when he met defeat by a slender majority. At the last general election he was returned by a majority of something like 4,000.

Mr. Hunt was closely identified with the farming and commercial interests of the county he represented in parliament. Like many another hon. member of this House, he, in his younger years, took an active interest in municipal affairs, and was honoured by being elected mayor of the town of Bury in which he was born, and subsequently by being chosen warden of the county. In 1900, following in the steps

of his father who in the year preceding had represented the county of Compton in the Provincial Legislature of Quebec, he contested the riding in the Liberal interests. Though unsuccessful in this contest his popularity was such that he was chosen as the Liberal candidate in the federal elections of 1904, when, as mentioned, he was first returned to this parliament.

Just how significant was the part played by Mr. Hunt in the politics of the Eastern Townships and how considerable the measure of public confidence he enjoyed, may be gauged from the circumstance that it was in the general elections of 1904 that the county of Compton for the first time since the days of Confederation changed its representation from Conservative to Liberal; also by the fact that the majorities obtained by Mr. Hunt in the elections of 1919 and 1921 were the largest federal majorities ever given in the history of the county.

Mr. Hunt possessed the characteristics and qualities which inspire confidence and trust, qualities which in public life add to the number of a man's friends and leave him without enemies when his day's work is done. He was quiet and reserved in demeanour, genuinely sympathetic and public-spirited, loyal and steadfast in all the relationships of life. In these many relationships he will be greatly missed. Especially will his loss be felt by hon. members on this side and in the country by the Liberal party to whose principles he was so true, and of which he was so devoted a supporter. We in the House of Commons, who knew him best will greatly miss his kindly and cheerful personality. Our sympathy will go out at this time to the constituency which Mr. Hunt represented, in the loss of their member, and especially to Mrs. Hunt and to her sons and daughters in the overwhelming bereavement they have so suddenly sustained. I know that I express the common sentiment and desire of all here assembled in requesting, Mr. Speaker, that you convey to Mrs. Hunt and to the members of her family the heartfelt sympathy of all hon. members of this House.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Once again parliament is called on by the intervention of death to lament the loss of one of our members, and to pay to his memory a tribute of honour and respect. As the Prime Minister has said, Mr. Hunt was one of the oldest of our number in point of service in this House. He devoted most of his life to the public service, but throughout that period maintained an attitude of quiet reserve and unobtrusiveness which made him not so well known among all the members of the House as otherwise would have been his fortune. With us on this side he mingled little, but was known to all as a devoted friend of his country, as a cheerful, good companion, and a faithful public servant. He did all that man could do within his means and capacity. He served his country ably. He took part in very many business activities, and was connected with much that was of advantage to his people, and served in every way with fidelity and with ability. His family is large and in that manner also he leaves behind him an inheritance for his country, the value of which we all appreciate. I am sure that hon. members on this side of the House for whom I speak desire permission to join in this tribute of respect to his memory, and we ask also to be allowed to unite with hon. members opposite in the message which you, Mr. Speaker, are requested to send to his widow and his family.

Mr. ROBERT FORKE (Brandon): On behalf of the hon. members who sit in this part of the House, I should like to say that it was with deep sorrow and regret that we learned this morning of the death of Mr. Hunt. Though, as has already been stated, he did not take a prominent part in the debates of this House, yet I am sure he was respected by every hon. member. Manifestly he has been appreciated and respected by his constituents as shown by the long term during which he represented them in this chamber. He has served them honourably and well. I can only ask that our sympathy be expressed to those near and dear to him for the great loss which they have sustained in the death of husband and father.

Mr. DEPUTY SPEAKER: As requested by the leaders of all parties in this House, I shall forward to the widow and relatives of the late Mr. Hunt tributes of sympathy which have been expressed for them in their bereavement.

PRIVATE BILLS

SECOND READINGS

Bill No. 48, for the relief of George Thomas Grigor.—Mr. Martell.

Bill No. 49, for the relief of Ethel May Sherriff.—Mr. Church.

Bill No. 50, for the relief of Max Arno Frind.—Mr. Hocken.

Bill No. 51, for the relief of Elizabeth Burns.—Mr. Garland (Carleton).

Bill No. 52, for the relief of Fred Herdman Ogden.—Mr. Church.

Bill No. 53, for the relief of Marion Gooderham Smith.—Mr. Hocken.

Bill No. 54, for the relief of Edith Mary Wiles.—Mr. Garland (Carleton).

Bill No. 55, for the relief of Annie Kate Winch.—Mr. Hanson.

Bill No. 56, for the relief of Florence Kate Coutts.—Mr. Ryckman.

Bill No. 57, for the relief of George Kerr Jess.—Mr. Hanson.

Bill No. 58, for the relief of Thomas Almer Shields.—Mr. Euler.

Bill No. 59, for the relief of Roderick James Ellis.—Mr. Boys.

Bill No. 60, for the relief of Florence Mann.—Mr. Sheard.

Bill No. 61, for the relief of Samuel John Pegg, junior.—Mr. Preston.

Bill No. 62, for the relief of Harry Hambleton.—Mr. Sheard.

Bill No. 63, for the relief of Izzie Klinmentz (otherwise known as Izzie Climans).—Mr. Jacobs.

Bill No. 64, for the relief of John Hutchison Durnan.—Mr. Sheard.

Bill No. 65, for the relief of Richard James Wright.—Mr. Garland (Carleton).

Bill No. 66, for the relief of Mary Ellen Ayre.—Mr. Boys.

Bill No. 67, for the relief of Helen Marie Pritchard.—Mr. Garland (Carleton).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PAYMENTS TO EXPRESS COMPANIES

Mr. WARD:

What was the amount paid, respectively, to the Canadian National Express Company and the Dominion Express Company by the following Departments, in 1924: (a) Trade and Commerce; (b) Customs and Excise; (c) Printing Bureau?

Hon. Mr. COPP:

Department of Trade and Commerce

	Canadian National Express	Dominion Express
Civil government contingencies	$ 5 78	$ 1 00
Commercial Intelligence service	231 87	23 69
Canada Grain Act, including Dominion government elevators	1,067 52	597 11
Petroleum bounties administration	3 15	
Motion Picture bureau	221 67	46 98
Weights and Measures.	451 10	653 28
Electricity and Gas..	607 71	215 20
Bureau of Statistics..	175 56	24 40
Total	$2,764 36	$1,561 66

Department of Customs and Excise

(b) Canadian National Express.. $13,667 84
Dominion Express Co... .. .. 7,773 26

Department of Printing Bureau

For the calendar year ending December 31, 1924: the department paid to the Canadian National Express Company the amount of, $13,304.21; and to the Dominion Express Company the amount of, $4,639.91.

HORSE BREEDING

Mr. BOUCHARD:

1. What amount has been spent in each province as federal assistance to horse breeding, under the breeding law?

2. Does the special railway freight rate apply to the western shippers on the transportation of horses to the east?

Hon. Mr. COPP:

1.

STATEMENT showing amounts paid by the Dominion Stock Branch, Department of Agriculture, Ottawa to Horse Breeders' Clubs under the Federal Assistance to Horse Breeding Policy since the Inception of the Policy, 1915

It will be noted that, throughout the statement, the amounts shown as having been paid to clubs are in connection with clubs organized for that year

Province	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
B. C.	.....	.....	.....	.....	.....	.....	419 44	397 22	.....	.....	816 66
Alta.	380 00	446 56	8,092 18	16,939 90	9,271 26	6,097 80	3,701 20	2,158 79	2,130 93	2,576 40	51,795 02
Sask.	1,410 26	2,637 37	18,827 30	28,340 95	20,695 38	13,972 34	-12,798 31	14,711 09	14,731 41	7,995 59	136,120 00
Man.	.....	.....	7,890 78	19,756 62	14,256 37	12,802 79	-13,342 93	10,484 74	8,195 07	3,002 61	89,731 91
Ont.	.....	105 00	5,750 11	5,941 00	6,417 78	6,526 39	5,225 71	4,422 83	2,825 65	880 92	38,095 39
Que.	100 00	.....	.....	288 00	.....	250 00	2,298 04	2,295 49	1,750 73	308 49	7,290 75
N.B.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
N.S.	.....	.....	.....	126 40	.....	.....	.....	.....	.....	.....	126 40
P.E.I.	.....	.....	.....	.....	351 67	386 66	359 99	155 00	.....	.....	1,253 32
Total.	1,890 26	3,188 93	40,560 37	71,392 87	50,992 46	40,035 98	38,145 62	34,625 16	29,633 79	14,764 01	325,229 45

2. The Canadian National railway officials advise that there are special freight rates from western to eastern Canada on horses in carloads, which apply for either breeding or general purposes.

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

Mr. WILSON:

1. How many private cars are in the possession of the Canadian National Railways for the use of officials?
2. How many of these have been secured in the past two and a half years?
3. How many were used to carry officers of the company to Portland on the occasion of the departure of Mr. C. J. Smith for England?
4. Who were the officers who used these cars for this purpose?
5. How many cars were on this same occasion sent around to Halifax and for what purpose were they so sent?

Hon. Mr. GRAHAM: The hon. member is not in his seat again and I suppose we had better let this question stand. I am prepared to answer the part of the question that I think ought to be answered.

MR. A. PETTIGREW

Mr. POULIOT:

1. Did Mr. A. Pettigrew, counsel for returned soldiers, at Quebec, do any active service with the Canadian Expeditionary Forces, from August, 1914, to November, 1918?
2. If so, (a) with what battalion; (b) what was his number; (c) in what battles did he take part?
3. Did he not receive his exemption from military service during the war?
4. If so, for what reason?
5. Since the war, did he join the Canadian navy?
6. If so, (a) on what date; (b) what is his rank; (c) what is his pay; (d) is he also acting as recruiting officer; (e) is he receiving a salary for said service?
7. On whose recommendation was he appointed counsel for returned soldiers, at Quebec?

Hon. Mr. COPP:

1. No.
2. Answered by No. 1.
3. A Mr. Achille Pettigrew of Quebec was exempted.
4. He was placed by the medical board in class "E."
5. Yes.
6. (a) 31st March, 1923.
   (b) Acting Lieutenant.
   (c) Officers of the R.C.N.V.R. serve without remuneration except whilst attending two weeks' annual drill when they are paid at R.C.N. rates of pay.
   (d) No.
   (e) Answered by (d).
7. All soldiers' advisers, including Mr. Pettigrew, were selected by veterans' organizations whose nominations were communicated to the government by the Dominion Veterans' Alliance.

CANADIAN NATIONAL RAILWAYS—ANSWER DELAYED

Mr. POULIOT:

1. What is the name of the person or persons who sold to the government the land on which are located the workshops of the Canadian National Railways, at St. Malo, and what was the sale price?
2. What is (a) the amount and (b) the value of the machinery transferred from the workshops of the Canadian National Railways, at Rivière du Loup, to those of St. Malo?
3. What is the number of employees of the Canadian National Railways who were transferred from Rivière du Loup to St. Malo?
4. Was this transfer optional?

Mr. POULIOT:

What was the total yearly amount of business of the Canadian National Express Company branch at Trois Pistoles, county of Temiscouata, Quebec, during the last two years, respectively?

Hon. Mr. GRAHAM: One of the difficulties of getting information rapidly now from officers of the Canadian National Railways is that we have so many of the officers here attending committees. I had a letter from one of them this morning stating that it would be impossible to get these answers until they were relieved here.

ROYAL CANADIAN MINT

Mr. BLACK (Yukon):

1. Why is the Royal Canadian Mint idle?
2. Why is no Canadian silver coin being minted at the Canadian mint?
3. Why is the large amount of United States silver coin now in circulation in Canada not shipped out of the country and replaced by Canadian silver coin?
4. When was the last Canadian silver coin minted in Canada?
5. Is there any advantage to Canada in having Canadian silver coin in use and circulation in Canada instead of United States coin?

Hon. Mr. ROBB:

1 and 2. The operations of the mint are dependent upon the circulation requirements of the country. Owing to the large amount of silver minted during the war and demobilization period to meet the then current and anticipated demands, there has been a sufficient supply available since 1922-23 to meet all requirements. Consequently, no silver coin has been minted since 1923, but the mint has been engaged on bronze and nickel coinage and the refining of gold.

3. Trade returns for the last year show that $957,684 of silver coin was shipped out of Canada to the United States.

4. 1923.

5. There is a profit to the government in the issue of silver coinage.

CANADIAN NATIONAL RAILWAYS—STATISTICS

Mr. MORIN:

What were during the year 1924 on the Canadian National Railways: (a) The number of tons of freight

carried; (b) The number of tons carried one mile; (c) The earnings per ton mile from freight traffic; (d) The number of passengers carried; (e) The number of passengers carried one mile, and (f) The earnings per passenger per mile?

Hon. Mr. GRAHAM:

(a) Revenue freight, 52,498,614 tons.
(b) 16,932,406,010.
(c) 1.010 cents.
(d) Revenue passengers 22,707,880.
(e) 1,372,335,263.
(f) 2.713 cents.

GRAND TRUNK RAILWAY—GRATUITIES TO OFFICIALS

Mr. WARD:

1. Have the officials of the Grand Trunk railway returned the gratuities given them by the former management in accordance with a statement made in this House by the Minister of Railways in 1923?
2. If so, when?

Hon. Mr. GRAHAM: I can answer this question orally.

1. They have not.

2. No. 2 is answered by No. 1. A commision was appointed to investigate all the gratuities etcetera of the old Grand Trunk. That commission found that all these payments had been legally made and that the company had a perfect right to make them. It intimated, if I remember correctly—and I think I do—that in the opinion of the commission it would not be in the interest of the railway operation itself to insist that these moneys be refunded.

Mr. MEIGHEN: Is that the opinion of the government?

Mr. GRAHAM: I have not said that.

WEMBLEY EXHIBITION

Mr. DOUCET:

1. Was any person sent by the government to act as hostess at the Wembley exhibition?
2. If so, who is the person, and what is her place of residence?
3. For what length of time was she on duty?
4. What is the amount paid and to be paid to her (a) for services, (b) for travel and living expenses, (c) for other outlay?

Hon. Mr. ROBB:

1. No.

2, 3 and 4. Answered by No. 1.

CIVIL SERVICE SUPERANNUATION

Mr. McQUARRIE:

1. Is the Minister of Finance aware that the effect of subsection (a) of section 5 of the Superannuation Act of 1924, is to confiscate the contribution of a civil servant who should voluntarily retire before having ten years' service?
2. What is the justification for this policy of confiscation?
3. What becomes of the contribution of the civil servant so confiscated?

[Mr. Morin.]

Hon. Mr. ROBB:

1. The minister is aware that under the Superannuation Act, 1924, no benefit is payable in the event of the voluntary retirement of a civil servant having less than ten years' service.

2. This feature of the act is not properly described as confiscation. The principle involved has been contained in both previous Superannuation Acts.

3. The contributions of civil servants so retiring remain a part of the superannuation fund.

INTERNATIONAL LABOUR BUREAU—GENEVA

Mr. BLACK (Yukon):

1. Did the Minister of Labour advertise in Canadian newspapers that the position of Assistant Legal Adviser in the International Labour Bureau, Geneva, was vacant and that applications would be received from Canadians?
2. If so, how many applications from Canadians were received?
3. Has any appointment to this vacancy been made?
4. If so, what is the date of such appointment and the name of the person appointed?

Hon. Mr. MURDOCK:

1. Announcement was made in the Canadian press on January 19, 1925, that the position of Assistant Legal Adviser in the International Labour Office, Geneva, was vacant through the retirement of Mr. Corbett, of Montreal, and that applications would be received from Canadians. The Minister of Labour was asked to nominate a qualified person to act with Mr. Corbett in preparing a report on the candidates' qualifications for transmittal to the International Labour Office, with whom the final choice would lie. Professor Jean Desy, of Montreal, was nominated for this purpose by the Minister of Labour, and the report of Messrs, Corbett and Desy was submitted to Geneva towards the end of March.

2. Twenty-three.

3. Yes.

4. The Minister of Labour was advised from Geneva on April 24 that Mr. Norman MacKenzie, one of the applicants from Canada and who is at present studying at Cambridge University, England, has been appointed.

SPRAY LAKES POWER SCHEME

Hon. Mr. STEVENS:

1. During the past year, have any further negotiations been held regarding the Spray lakes power scheme? If so, with whom?
2. Has the government under consideration any proposals for the transfer of the National parks to the governments of the various provinces where located? If so, by whom have such representations been made?

3. Have any engineers representing (a) the Department of the Interior, or any Dominion governmental department; (b) any provincial government; (c) any private corporations or persons, made any surveys or investigations of the Spray lakes power scheme during the past year?

4. If so, who are the said engineers or persons?

Hon. Mr. STEWART (Argenteuil):

1. The government of the province of Alberta has made certain inquiries but has not filed formal application.

2. No, but it is to be expected that the matter of the administration of national parks in the province of Alberta will receive consideration when the details of the transfer of the natural resources to that province are being discussed.

3. (a) No. (b) It is understood that engineers of the Ontario Hydro-Electric Power Commission have made a report on the project to the Alberta government. (c) It is understood that engineers of the Montreal Engineering Company under an arrangement made with the government of the province of Alberta have carried on field investigations during the past year.

4. Answered by No. (c) above.

QUESTION PASSED AS ORDER FOR RETURN

PEACE RIVER BLOCK

Hon. Mr. STEVENS:

1. Does the Dominion government own a block of territory in British Columbia known as the Peace River block? If so, what is the total area?

2. What were the considerations given to British Columbia in return for the surrender of the said area to the Dominion government?

3. Has any of the land in the said Peace River block within the boundaries of the province of British Columbia been sold or leased? If so, (a) how much; (b) in how many separate parcels; (c) what is the total amount received from the sale price of the property or in return for lease, or in rentals, if leased?

UNOPPOSED MOTION FOR PAPERS

NOVA SCOTIA TEMPERANCE ACT

Mr. DOUCET:

For a copy of all correspondence, statements of investigation, court proceedings, reports, documents and other papers in the possession of the Department of Customs and Excise and the Department of Justice relating to alleged violation of law in regard to intoxicating liquors in or upon any bonded warehouse at Halifax, Nova Scotia, which the Franco-Canadian Import Company is permitted to establish and conduct, or by any person interested or engaged in the business of said import company.

Hon. Mr. LAPOINTE (Minister of Justice): In the absence of the Acting Minister of Customs and Excise (Mr. Cardin), I would ask that this resolution stand.

HUDSON BAY RAILWAY

MOTION BY MR. KNOX FOR RECOGNITION OF PRIORITY

Mr. ANDREW KNOX (Prince Albert) moved:

That, in the opinion of this House, it is expedient that more effective consideration and recognition be given to the resolution adopted by parliament on March 12, 1923, recognizing the priority of the Hudson Bay railway, with reference to other transportation projects started subsequently.

He said: This matter has been before the House on a number of occasions, and in bringing it forward again I wish to assure you, Mr. Speaker, that those of us who are interested in the Hudson Bay railway will offer no apology for discussing the subject. We who are pressing for the completion of the Hudson Bay railway believe implicitly in the feasibility and in the future success of that project and in that conviction we have no need to feel apologetic. We represent hundreds of thousands of people in the west who to-day are equally confident of the feasibility and the successful operation of this railway; and they believe in it as a possible outlet for their produce and as an inlet for their purchases. These people believe that it would overcome the great handicap under which the west is to-day suffering by reason of high transportation costs. The people whom I represent and among whom I have lived for the last thirty-odd years have great faith in the outcome of the undertaking. Some of these people have entered Canada by this route, while others have worked on the railway as well as on the terminals, so that they are intimately associated with the whole thing and know whereof they speak. And it is because of this intimate knowledge of the Hudson bay proposition that they believe so firmly in its ultimate success if the work is carried to completion.

The people of the west, however, believe in the justice of completing the Hudson Bay railway; and more than that, they believe in the righteousness of it, if I may put it that way: many of them believe that the Hudson bay was placed as it is by an all-wise Creator for the purpose of serving as an outlet for the great agricultural plateau of the middle west. The people in that part of the country are of the opinion that it would do more towards bettering conditions in the west if this railway were completed, than any other transportation project could accomplish. The result of all this is that those who inhabit the three prairie provinces are practically a unit in their request for the im-

mediate completion of the Hudson Bay railway; and requests come from organizations representing every phase of western activity —from our legislatures down through our farmers' organizations, our labour bodies and our boards of trade. I have here a copy of a resolution passed by the United Farmers of Alberta which I shall read to the House. It has been suggested on former occasions that the province of Alberta was not very strong in its attitude towards the railway; but the following resolution would not be passed by the organization to which I have referred—which certainly represents the thought of Alberta—if the province did not favour the completion of the road. The resolution reads:

Resolved that we go on record as being strongly in favour of the early completion of the Hudson Bay railway.

This was adopted in January last. The thought has occurred to me that it is rather a strange situation that the people of the prairie provinces, living in close proximity to the Hudson Bay railway and having every reason to know something about the matter, should be almost unanimously in favour of its completion, while people living at a remote distance who naturally, one would think, would not be expected to know so much about it, are very largely opposed to the undertaking. I have in mind the section of the east particularly centering around Montreal. We in the west feel that this opposition is not justified; we look on Hudson bay as our natural outlet, and we feel that we have contributed to the expenses of this project up to the present time, besides possibly having something left over from the sale of some of the western lands.

As to the history of the Hudson Bay railway undertaking itself, I shall be very brief. This matter has been a source of agitation on the part of the west for the last forty years or more. The railway was first begun by the government of Sir Wilfrid Laurier in 1910 and the work was carried on by the government of Sir Robert Borden, closing down in 1918 without any apparent reason, after there had been spent on the railway and the terminals some $21,000,000. The total length of the line is 424 miles, and this has all been graded; the steel has been laid on 332 miles, all the bridges having been built. It will be seen from this that only a distance of 92 miles remains to be laid with steel, and it is hard to understand why this stretch has not been completed after the construction has got to that stage.

A number of hon. gentlemen sitting around me have made personal trips of inspection to the bay and no doubt they will tell the House what they have found on these trips. I have not personally visited the locality, although I hope to do so some time in the future. But those who have made the trip report that the work already done is still standing up well and is in good condition. Since these trips were made it has been reported through the press that as the result of a very severe storm that swept over Hudson bay a good deal of damage was done; and I have been informed by people who think they ought to know that sections of the bridging laid over to the artificial island in the harbour have been carried away. In consequence of this information I made a point of consulting the chief engineer, Mr. McLachlan, this morning; I asked him what the reports showed in regard to this alleged damage, and he assured me that the bridge is standing there in perfect condition, no damage having been done, except for the fact that much of the gravel which had been placed on the piers when work ceased, has been swept away. He tells me too that some of the barges and dredges were swept from their moorings. The House will of course readily understand that as there was no protection from the storm it was only to be expected that to this limited extent some injury would be caused by so severe a storm. Some of these barges were carried across the estuary and stranded on the other side; but the engineer assures me that no great damage has been done, the work still standing secure. This information was very reassuring after the reports that had gone out through the press, as it is just possible that some one may see fit during the debate to-day to mention this storm. I had an opportunity of discussing the storm with an officer of the Hudson's Bay Company who is in charge of a post in the northwest extremity of the bay. He assured me that it was of extreme severity. In fact he said that the oldest Eskimos had no remembrance of anything like it ever having happened before. Port Nelson having in its present unprotected condition come through that severe storm without any serious damage to the uncompleted works there, I do not think we have much to fear on this head. It is significant that this storm happened in November, which is one of the months when opponents of the scheme tell us the bay and port are frozen solid. I think we now have sufficient proof to the contrary.

On March 12, 1923, Mr. Speaker, I moved the following resolution:

That in the opinion of this House, the government of Canada give further consideration to the report of the Senate committee on the Hudson Bay railway with a view to safeguarding the investment of public moneys made in the construction of that portion of the work completed to date, and that the government recognize the priority of this undertaking with reference to other transportation projects started subsequent to the Hudson Bay railway.

I would point out that after considerable discussion this resolution was adopted by the House. Although so adopted, and therefore representing the decision of this House two years ago, it is significant that no effort has yet been made to give this transportation project priority over other transportation projects started subsequently. Some work was done in the summers of 1923 and 1924 to rehabilitate the portion of the road over which trains run. An estimate of $350,000 was voted in 1924; another $300,000 had been voted in 1923, but only some $60,000 odd was spent in that year. So that altogether during those two years only about $413,000 was spent in an effort to rehabilitate that portion of the road over which trains are run. During that time the money spent, for instance, on the Welland canal, has run into millions of dollars. I might say that the Welland canal was started subsequent to the Hudson Bay project. In 1923 a vote of $11,800,000 and in 1924 a further vote of $11,000,000 was passed for the prosecution of work on this canal, making a total for those two years of $22,800,000 as compared with the $413,000 spent on the Hudson Bay project. This year I find in the estimates an item of $15,000,000 for the Welland canal. As yet we have no intimation of what supplementary estimate will be brought down for the Hudson Bay railway, but if it is to have any priority over the Welland canal project, this estimate should surely be for a sum sufficient to complete the work. I would impress on the House that the resolution passed in 1923 has not been observed by the government; certainly no priority has been given to the Hudson Bay railway.

Is it any wonder that there is a feeling of distrust, suspicion and disappointment in the prairie provinces on this matter? We in the west are suffering more or less by the discrimination—if I might use that term—against us in respect of the customs tariff, and it is bearing heavily upon us. But when it comes to a refusal by a certain portion of eastern Canada to permit the completion of a project, the funds for which were raised by the sale of western lands, then, Mr. Speaker, we certainly feel like crying "How long, O Lord, how long!" This project was supported and endorsed by both the old political parties, parliament has sanctioned it time and again, settlers have gone into that country on the distinct understanding that the Hudson Bay railway would be completed, and those already there have extended their operations and investments on the strength of the repeated promises that the line would be built through to the bay. Evidently these people had greater faith in the governments of that time than they could be expected to have in the government of to-day.

It has been said that the Hudson Bay railway is the child of the hon. Minister of Railways (Mr. Graham). Undoubtedly he turned the first sod, thus giving the project his blessing and, I have no doubt, his sympathy. I do not think that to-day down in his heart he has changed one particle, but it is impossible for him to carry the project through without the support of his colleagues in the cabinet, which evidently he has not got. As I said a few days ago when speaking on the budget, at one time we had great expectations of assistance from the hon. Minister of Agriculture (Mr. Motherwell). While speaking on this subject in the West during the recess he certainly gave us to understand that he was an out and out supporter of the completion of the railway, and the west was looking forward to something being done this session through the efforts that he was likely to put forth to assist us in getting the project completed. But we got a rude shock a few days ago when, in his speech on the budget, he showed that he had changed his attitude somewhat, because instead of urging the immediate completion of the road he advocated a further investigation as to which was the better terminal. Port Nelson or Fort Churchill. As I said at the time, it looked to me very much like drawing a red herring across the trail—in other words, another excuse for further delay.

Now, Sir, if the government wish to retain, or possibly I should use the word obtain, the respect and confidence of the west, my suggestion and advice to them would be to consider what we are up against in regard to the customs tariff, and also what we are up against in regard to our transportation problems. Apparently the government could not see their way to give us any consideration when framing their budget, but they still have another opportunity to partially set themselves right with the west, and my proposal is that to this end they take half of the $15,000,000 which appears in the estimates for the Welland canal and apply the money to the Hudson Bay project, for this amount would be far

more than sufficient to bring it to the stage where it could function successfully. By so doing they would help allay the present distrust of our people in the west and forever end this annual controversy.

I have here a copy of a letter which I would like to read to the House. It is from Mr. O. D. Hill, of Melfort, Saskatchewan, in my constituency, who made a trip up to the bay last summer. I should have referred to this letter earlier in my remarks, but I will put it in now, as it gives an idea of what the condition of the road is. He says:

I was out to Port Nelson this summer in company with Colonel James of Regina, and both of us came back far more enthused over the project than ever. I am sending you, under separate cover, some pictures taken of the road. We were agreeably surprised with the condition of the roadbed. And I make this statement without fear of contradiction, having been over every transcontinental road in Canada and over some in the United States, that there isn't a natural roadbed in North America that can compare with that of the Hudson Bay railroad.

There are stretches of this road running for miles and miles in a straight line where there is very little dump at all, the land being so level that there is only ballast underneath the rails. Some of the pictures that I am enclosing will corroborate this. When you consider this and the fact that the heaviest gradient is only four-tenths of one per cent, that there are no long fills, or long cuts, it would make you think that Providence had provided this natural way to the sea. Any gradients are in favor of the out-going traffic, which will be the heavier for a long time. There is nothing on the road which would approach my conception of a muskeg. The road for the whole way is on solid ground. There is no place where there is any mud or water coming up through the ties. The longest dump is at Armstrong lake and it is wonderful the state of preservation that this is in.

The road from Le Pas to Mile 214 has had a considerable amount of work done on it this summer. One of the pictures which I am enclosing shows this, where the ties are taken up and put out on the side cut, and is as good as any branch line in the west.

The road from 214 to 332, which is the second crossing of the Nelson, it is estimated by a competent man, can be rehabilitated for half a million dollars. It is only natural to think that this portion of the road, which has had nothing done on it for eight or nine years, should be considerably damaged by the elements, but this has nothing to do with the roadbed.

From 332 through to Port Nelson the dump is all complete and whilst we only saw both ends of it, we have spoken to men who have gone over the whole dump and they claim that it is just as good on the average over the whole grade as at the ends and we should say from this that there is very little which has to be done with the dump before the steel could be laid on it.

I am safe in saying that any loyal, reasonable unprejudiced citizen of Canada, come from where he may, taking the trip over the road to the bay as I did, could not help but become an enthusiastic supporter of the project.

I have no wish to speak at any great length on this matter, because it has been put before the House so often that to do so would be to repeat what has already been said. My object is to draw to the attention of the House and particularly of the government, the fact that they have

4 p.m.

not carried out the wishes of parliament as indicated by the adoption of that resolution on March 12, 1923, in regard to giving the Hudson Bay railway priority over other transportation projects started subsequently. I ask the government to give us some reasonable assurance that steps will be taken to carry the expressed wishes of parliament into effect.

Mr. R. A. HOEY (Springfield): Mr. Speaker, I want, if I may, to congratulate the hon. member for Prince Albert (Mr. Knox) upon having again introduced a resolution dealing specifically with the Hudson Bay railway project, with due insistence upon its priority as a national undertaking. I cannot hope to add to the information already available on this subject, information which is very complete and easily accessible. It is not my desire unduly to prolong the debate, but in view of the fact that I visited Port Nelson last autumn, it occurred to me that it might be interesting and not wholly unprofitable if I were to convey to the House in a few sentences the impressions made upon my mind by what I saw and experienced in the northland.

The party of which I was a member left the Pas on the 28th of August last. We went north actuated by—shall I say?—a two-fold desire. The first was a desire to determine for ourselves the actual condition of the roadbed already constructed. There were those who contended that the road was in an excellent state of preservation, and there were others—pessimists of course—who informed us prior to our departure that the roadbed had long since disappeared into the muskegs; that only the tops of the telegraph poles were visible, and that even they were covered with snow for at least eleven months out of twelve. We wanted to determine for ourselves just what the actual conditions were. In the second place we wanted to determine, so far as amateurs could determine, what the facilities were at Port Nelson for the loading and unloading of cargoes. We decided to travel the 332 miles from the Pas to Kettle rapids by open gas car, in order that our inspection might be intimate, thorough, and satisfactory in every sense. It enabled Premier Bracken, who is a scientific agriculturist, to make soil tests on the way up and also to interview the many settlers and to inspect their gardens, in which we found vegetables and grains growing abundantly.

With respect to the condition of the road, I think I can make this statement without fear of contradiction that the first 100 miles is in my judgment in as good condition at the moment as any branch line in the Dominion of Canada over which I have travelled. The territory itself is monotonously level and prairie-like. At Herb lake, 12 miles west of mile 81, there is a village, which we visited, of about 300 people who have gone in there awaiting the completion of the road, but who in the meantime are doing all they possibly can to develop the country. From mile 100 to mile 214 the roadbed was in process of reconstruction at the time of our visit. Old ties were being replaced with new ones; rails were being straightened; gravel trains were travelling to and fro supplying ballast; so that by this time the road up to mile 214 is in splendid condition for heavy traffic. From mile 214 to mile 332, where the road crosses the Nelson river for the second time, it is not in an ideal condition, and one could hardly expect it would be. We encountered, however, only one washout. Hon. members will realize the condition of that part of the road when I tell them that we travelled over it in an open gas car at a rate of 30 miles an hour without any mishap and without any serious inconvenience.

We went from Kettle rapids to Port Nelson by canoe. One could not but be profoundly impressed by the turbulent and swift-flowing waters of the Nelson river. The Nelson river is one of the great rivers of the world; it drains more territory than any other river of which we have any knowledge anywhere, and is capable of developing three million horsepower of electrical energy. It took us exactly two days to make the trip from Kettle rapids to Flamborough Head. There we left our canoes and waited the outgoing tide that was to take us down to Port Nelson harbour itself. While at Flamborough Head we could not resist the temptation—although it was the first week in September—in view of the absence of ice and snow, to bathe in the tide water, remaining in about thirty minutes and enjoying a very refreshing swim.

Mr. GRAHAM: Only an Irishman would enjoy that.

Mr. HOEY: There were, unfortunately or fortunately, three of us, two native born Canadians and one Irishman. It is difficult for me to convey to the House the sensations that passed through me as I stood in that northern tide water. I could not help but think of the words written across the front entrance to this building:

> The wholesome sea is at her gates,
> Her gates both east and west.

Standing there I asked myself, why was this northern sea, with its stories of heroism, perhaps the most wholesome of them all—why was it overlooked, nay forgotten? And standing there I suggested to my associates that the words be changed to read something like this:

> The wholesome sea is at her gates,
> North, east and west this giant state.

That may not be good poetry, but it expressed to me on that occasion a great soul-stirring—shall I say? ennobling—truth. We drifted down from Flamborough Head to Port Nelson itself on the outgoing tide, and the first impression made upon my mind was profoundly disappointing. It is not a harbour, it is rather a roadstead. It is V-shaped, narrow to the south and wide toward the north. It is exposed to the northern storms; and I was of the opinion when I gazed upon it at first that no steamer could lie side by side at the artificial island without being seriously disturbed by the violence of the storms. The artificial island which is constructed there—at least the half-mile which is constructed—is about five hundred feet wide, and it is connected with the shore by a bridge of seventeen spans of two hundred feet each, or approximately so, with the cribwork. We walked over that and inspected the island. Then one of my associates pointed to two ships, two derelicts, the appearance and presence of which changed my opinion somewhat—one about two miles south of the artificial island, or approximately so, and the other about two miles north. Both, I understand, were beached about the year 1913, and these ships to-day are just as symmetrical, both as upright and in almost as good a state of preservation, as if they were wrecked yesterday; and I expressed the belief that if those ships had been beached, say, on the Antrim coast, or some other coast I had previously visited during my brief career, they would have been smashed into matchwood in less than three months. The fact of importance is that the violence of any storm there has long since spent itself before it reaches the harbour of Nelson at all, so that ships lying parallel with the artificial island and in harmony with the current are perfectly safe. In this connection I want to read just a brief excerpt from the evidence given by Mr. McLachlan before the Senate committee:

A ship in going from deep water to Hudson bay must weather any storms that may come during her stay at Port Nelson while tied to the wharf, but the 20 miles of relatively shallow water from deep water to the port cause the deep sea rolls or waves to be broken up, and while serious so far as small light vessels were concerned, would not affect a large vessel.

Now you may ask: What did you see at Port Nelson apart from the artificial island and the bridge? I think I could answer that question more intelligently if I were asked what did I not see? Because I saw almost everything except people; there are very few people there. I have heard during the last few days that the reason why the Minister of Agriculture did not make the complete trip on the occasion of his visit that they could not assure him there would be an audience at Port Nelson when he arrived there before which he could display his undoubted oratorical powers. They have at Port Nelson a dry dock two hundred feet long and forty-six feet wide. They have there also almost everything necessary for the maintenance of an up-to-date construction camp. They have a wireless station there which has been dismantled, but the equipment of which is in a splendid state of repair. They have six or seven sea-going tugs. They have a Mounted Police station, and I was given to understand that the complete townsite, which is rather an attractive one, is owned wholly and exclusively by the Dominion government, so that whatever may be said for or against Port Nelson no private monopoly has got a foothold there so far. The people of western Canada—I wish this were given publicity —are not asking to-day for the construction of the Hudson Bay railway. That railway is already constructed, not in part but in its entirety, from Hudson Bay junction to tide water at Port Nelson. To ask then for the construction of the Hudson Bay railway, in view of the fact that it is already constructed, would be meaningless and absurd.

Mr. MEIGHEN: Does the hon. member mean that the rails are laid all the way?

Mr. HOEY: No, I will explain that. What they are asking for is that rails and ties be placed on the ninety-two miles from Kettle rapids to the bay which part of the road is already graded. Now we did not walk on our way back the ninety-two miles from the port to Kettle rapids; the distance was too great. But we did walk five or six miles in an attempt to determine just what condition the grade was in, and we found it in almost perfect shape, some members of the party expressing the belief that it was in as good shape as during the first month of its construction. There are no more bridges to be constructed. There was one small bridge over the Limestone river, I understand, a wooden structure, which has fallen into a state of dilapidation. This would have to be repaired. But the great bridges, one over the Saskatchewan at Le Pas, one over the Nelson, at the Manitou rapids, one over the Nelson again at Kettle rapids, have all been constructed and are in a splendid state of preservation. You ask what would be my recommendation. My recommendation with respect to the Hudson Bay railway would be simply this: that the government undertake to lay the rails from Kettle rapids to the bay almost immediately. The rails for 332 miles are 80-pound rails. I think it might be possible to have those rails on the Canadian National roads which are not in operation—if there are such—removed and placed there. Surely that could be done without involving any considerable expense. You ask what would be my recommendation in respect to the harbour. I would not at the present time spend any considerable sum at Port Nelson. I would put down the ties and rails and I would say to the owners of the tramp steamers, "Here is an almost unlimited amount of cargo provided you can prove that the navigation of the straits is commercially feasible;" and I would allow the expenditures on Port Nelson to be determined by the amount of trade developed there during the next three or four or ten years. If no trade develops no expenditure will be necessary. I cannot see any reason in the world, in view of the new channel that has been discovered, why tramp steamers could not come in now and unload grain at the artificial island, provided elevators are erected there, and I understand one company has promised, and guaranteed in fact, that they are prepared to go ahead with the erection of an elevator there provided the government lays down the steel to the port itself.

Mr. MANION: Just for information, would the hon. gentleman be willing to tell us what company is willing to build the elevator there?

Mr. HOEY: Yes, the Patterson Company.

Mr. MANION: The N. M. Patterson Company of Fort William?

Mr. GRAHAM: That was stated before the deputation.

Mr. HOEY: In conversation with some of the people at Port Nelson I learned that their attitude towards us when we asked about the frozen nature of the territory was strikingly

similar to what our attitude would be if one went down to Kansas City, and were approached there by a resident of that city and asked if it would be safe for a woman to visit the city of Winnipeg in November, or if it would be too cold for her to remain in that city during that period of the year. The questions with respect to the frozen territory and the dreadful storms that attack it are so absurd that the people refuse to answer them and simply smile. They remind us of something that we are too prone to forget, and that is that all the charges directed against that north country were years ago directed against the prairie provinces. I want to read a statement which should be of considerable interest to the hon. member for Vancouver Centre (Mr. Stevens) and others who come from British Columbia. It was published in London Truth, in 1881, several years before I was born, and re-published in the Manitoba Free Press June 27, 1924. It reads:

The Canadian Dominion Bubble

The article reprinted below appeared under the above heading in the issue of London "Truth", September 1, 1881.

A careful perusal of it is recommended to the various "knockers" of the Hudson bay route resident in Montreal, Toronto, Ottawa and elsewhere—not to overlook a few right here in Winnipeg.

Forty years from now their lugubrious predictions about the northern route will read as curiously as this extract of the year 1881 from "Truth", which was then one of the most influential weeklies published in London. The article from "Truth follows:—

"The Canadian Pacific Railroad Company" has begun, I see, to launch its bonds. "A group of Montreal and New York bankers" has undertaken to "float" ten million dollars' worth of the Company's land grant bonds, and the Bank of Montreal, with its usual courage, has taken one-fourth of the entire loan. This announcement looks as if the Canadians were going to raise the necessary capital on the other side of the water, but I have a shrewd suspicion that they have no real intention of doing anything of the kind. The New Yorkers are keen enough gamblers, and reckless enough at times, I admit, and yet it is impossible to believe that they are such fools as to put their money into this mad project. I would as soon credit them with a willingness to subscribe hard cash in support of a scheme for the utilization of icebergs. The Canadian Pacific Railway will run, if it be ever finished, through a country frost-bound for seven or eight months of the year, and will connect with the eastern part of the Dominion a province which embraces about as forbidding country as any on the face of the earth. British Columbians, they say, have forced on the execution of this part of the contract under which they became incorporated with the Dominion, and believe that prosperity will come to them when the line is made. This is a delusion on their part. British Columbia is a barren, cold mountainous country, that is not worth keeping. It would never have been inhabited at all, unless by trappers of the Hudson's Bay Company, had the "gold fever" not taken a party of mining adventurers there; and ever since that fever died down the place has been going from bad to worse, Fifty railways would not galvanise it into prosperity.

Nevertheless the Canadian government has fairly launched into this project, and I have no doubt the English public will soon be asked to further it with their cash. The parade of selling bonds in New York and Montreal is the new way of doing business that "syndicates", "bankers", and loan contractors have adopted in order that it may seem that they have faith in the schemes they father. I doubt if ten million dollars of ready cash could be found in all Canada for this or any other work of utility at a pinch;—

Sir HENRY DRAYTON: Will the hon. gentleman tell us who is the author of that interesting document, whether it was the late Hon. Sir Richard Cartwright, or the late Hon. Edward Blake. It sounds so familiar.

Mr. HOEY: The article is a reprint. It appeared in London Truth September 1, 1881.

Sir HENRY DRAYTON: Who is the correspondent? How did it come there?

Mr. HOEY: It is an excerpt taken from London Truth. The name of the correspondent is not given. I am quoting it from a reprint in the Manitoba Free Press. The article continues:

—but the Canadians are not such idiots as to part with one dollar of their own if they can borrow their neighbours'. The Canadians spend money and we provide it. That has been the arrangement hitherto, and it has worked splendidly—for the Canadians—too well for them to try any other plan with a scheme like the Pacific railway, which they must know is never likely to yield a single red cent of interest on the money that may be sunk in it. A friend of mine told me—and he knew what he was talking about—that he did not believe the much-touted Manitoba settlement would hold out many years. The people who have gone there cannot stand the coldness of the winters. Men and cattle are frozen to death in numbers that would rather astonish the intending settler if he knew; and those that are not killed outright are often maimed for life by frost-bites. Its street nuisances kill the people with malaria, or drive them mad with plagues of insects; and to keep themselves alive during the long winter they have to imitate the habits of the Esquimo. Those who want to know what it is like should read the not-yet-forgotten books of Colonel Butler. His "Great Lone Land" is the land of which the Canadian Pacific Railway Company has as yet five-and-twenty million acres to sell, and it is through a death-dealing region of this kind that "The new railway is to run."

Might I add to that a statement taken from Stefansson's book, the Northward Course of Empire:

On the basis of reliable testimony which fills a hugh volume, the British committee concluded in substance that the climate of southern Manitoba and the Saskatchewan is unsuitable for colonization by average Europeans and that in such a country no people will live permanently except fur traders because they are eccentric, missionaries because they are self-sacrificing, and Indians because they do not know any better. But since then there has grown up in the country which was the very centre of all the testimony the city of Winnipeg, with its 300,000 inhabitants, the third largest city in Canada, the Chicago of the Canadian west, and growing as rapidly and substantially as any city in Canada.

In January of last year I visited the Prince Albert district, which is one of the most prosperous districts in Saskatchewan. The hon. member for Prince Albert (Mr. Knox) and myself drove by automobile from his place, which is about eight miles east of the town, into the town every day during the month of January, without any serious inconvenience, and indeed, without any inconvenience at all. Yet, what was said, indeed, what was written from the very site of Prince Albert a few years ago by Sir William Butler? He said:

> Those who, in summer or autumn visit the great prairie of the Saskatchewan can form but a faint idea of its winter fierceness and utter desolation. They are prone to paint the scene as wanting only the settler's hut, the yoke of oxen, the wagon, to become at once the paradise of the husbandman. They little know of what they speak. Should they really wish to form a true conception of life in these solitudes, let them go out towards the close of November—

November, mind you.

> —into the treeless waste; then, midst fierce storm and biting cold, and snowdrift so dense that earth and heaven seem wrapped together in indistinguishable chaos, they will witness a sight as different from their summer ideal as a mid-Atlantic mid-winter storm varies from a tranquil moonlight on the Aegean sea.

Mr. Lonsdale Green, of Chicago, writing to Stefansson, comments on Sir William Butler's report as follows:

> Butler was a good writer and the above is a good description, but there is quite a large city right at the place where the above was written and as Sir William died only eleven years ago, he lived to see it.

I look upon the completion of the Hudson Bay railroad, the laying down of ninety-two miles of steel, as the challenge of the northland, that has been misunderstood and vilified by ignorant persons, for due recognition and for an opportunity to make a contribution which it is capable of making to the cause of Canadian development and unity. I look upon the Hudson Bay railway as the challenge of those restless northern tide-waters to the restless and adventurous spirits of this country, to the resourcefulness and enterprise of the Canadian people. If the Hudson Bay railway was being launched to-day, I say frankly that I do not think I could without hesitation endorse it in view of our financial condition. But in view of the fact that this railway is four-fifths completed, why not, by the expenditure of a little more money, make the greatest experiment that has ever been attempted in the history of this country? Speaking for the people of western Canada with whom I am more or less intimately associated, I say that the people of the west are prepared to leave this project in abeyance, provided that the people of Canada are prepared to leave in abeyance or to set aside other public works for a term of, say five or six years. But the people of western Canada, in their present temper, are not prepared to leave this project in abeyance while we are spending hundreds of thousands of dollars a year on golf courses, while we are making provision for the construction of a second bridge across the St. Lawrence at the city of Montreal. The people of western Canada are not prepared to leave this project in abeyance in view of its history and the promises made, while we continue to spend millions of dollars annually on the Welland canal.

Mr. DECHENE: How many millions were voted by this parliament in the last two years to build railroads in Canada?

Mr. HOEY: I have not the figures at my disposal.

Mr. DECHENE: It is over $22,000,000, and that is more than was spent in eastern Canada for anything the hon. member might mention.

Mr. HOEY: I do not know if they would be relevant, if I did have them at my disposal.

Mr. DECHENE: It is western Canada's share.

Mr. HOEY: There are in this chamber still a few men in whom I have confidence, despite the somewhat demoralizing experiences through which we have passed during the last few days. One of the few men in whom I have still a considerable measure of faith is the Minister of Railways and Canals (Mr. Graham). He turned the first sod on the Hudson Bay railway. What could be more appropriate than that he should drive the last spike? Surely that is a consummation devoutly to be wished. I look forward to his pronouncement on this occasion with considerable confidence. Taking all the facts into consideration and in view of the small expenditure that we are demanding, I hope he will be able on this occasion to make a statement that will encourage the people who have been fighting for the completion of this railway very persistently and, I think, consistently since the work was abandoned.

Mr. W. J. WARD (Dauphin): Mr. Speaker, we are again discussing this hardy perennial, the Hudson Bay railway. I rise to make a few remarks on this subject, because I believe it is the greatest economic and fundamental issue facing western Canada. I believe further it is an issue into which the whole future of the confederation of Canada is woven. I think

it was the hon. member for Fort William and Rainy River (Mr. Manion) who referred some time ago in this House to an address delivered by the hon. member for Springfield (Mr. Hoey) in the city of Brandon. He made some reference to secession. He also referred to another gentleman who had stated that in certain sections of this country, if a plebescite were taken, it would be discovered that two-thirds of the population would vote for secession. He went on to picture what a horrible thing that would be. I wondered at the time if the hon. member for Fort William and Rainy River realized to what extent the party to which he belongs is responsible for that very condition. And I say with a great deal of regret that that is absolutely true. There are whole constituencies in western Canada where, if a plebiscite were taken to-morrow, I am convinced that sixty or seventy per cent of the people would vote for secession. That is a most serious state of affairs if we intend to perpetuate the present confederation. But in order to inform ourselves fully as to the cause, the fundamental cause, of this state of mind of the people we must go back at least to the reciprocity pact of 1911.

I believe it was the hon. member for Dufferin (Mr. Woods) who referred to a certain caucus he had attended prior to the election of 1911, wherein he told us that the Conservative party of that day had hoisted the British flag to the top of the mast. I want to say to him and to the House that this is exactly what they did not do; probably at no time in the history of the British Empire was that grand old flag of liberty trailed through the filth and mire of the Canadian political slough to a greater extent than in the election of 1911. They pulled the British flag down and wrapped it around Sir Robert Borden; and all the little Bordenites went up and down this country with that flag wrapped about them, declaring that we should have no truck or trade with the Yankees. And so they defeated reciprocity. Then coming down a little further we reach the year 1917; and I would direct this very pointedly to the attention of the ex-Prime Minister (Mr. Meighen) and his party. They again are very largely responsible for the economic condition which prevails in western Canada as a result of the cessation of the work on the Hudson Bay railway when it was almost completed. Furthermore, I venture to say that not one quarter of one per cent of the people of eastern Canada knew that the work on the Hudson Bay railway had been carried to the stage it had reached; nor do they know, that all the material was on the ground for its completion, at the time that work was stopped and that the grade had all been built. Those men who now appear to be so solicitous of the economic welfare of Canada—we find them in the cities along the St. Lawrence and around the Great Lakes—were the men who sold the government the material that went into the Hudson Bay railway. They were quite satisfied that the project was all right so long as they were getting orders from the government; but the very day that they had sold the government the last contract, then the project was no longer feasible and the work ceased on the road. I am convinced of the truth of this.

I think the late government owes an explanation to the people of the country why work was stopped on the Hudson Bay railway in 1917. I think the western members at that time, I care not to what party they belong, whether to the Progressive party, the Liberal party or the Conservative party, all acquiesced, and therefore they all owe an explanation to the people of western Canada for allowing the work to be stopped. If one is curious enough to examine Hansard of 1921 he will find a discussion on the Hudson Bay railway, in which the government explained how lack of money and inability to obtain supplies and labour were responsible for discontinuing the work, sandwiched in between two sections of a debate on the Canadian merchant marine, on a vote of $8,000,000 for the building of vessels on which $64,000,000 had already been expended, most of it subsequent to the war. These vessels were built at a cost of $194 per ton, patently an impossible price if the ships were expected to earn dividends; and the defence of the expenditure, which was boldly made on the floor of the House, was that this outlay was necessary to cope with unemployment in and about Montreal. The government's remedy of strict economy was apparently designed purely for local application; and certainly the west got a good stiff dose of it.

I wonder sometimes if eastern members and easterners generally appreciate the extent to which the solvency of western Canada is dependent to-day upon the completion of the Husdon Bay railway. One of the largest business men in the city of Winnipeg, a man who has been in business in Winnipeg for thirty years and who is rated in Bradstreets at over $3,000,000, said to me only a short time ago, "Ward, in my business it is no longer a question of prosperity or of making dividends; it is a question of its solvency. And unless you complete the Hudson Bay

railway within a very reasonable time I fear the effect of present conditions on my business.', I believe that can truthfully be said of two-thirds of the business men of western Canada.

Now, all we ask is a fair show; we are not asking for any special privilege. I have here a statement which I have prepared and which I think probably will be of interest to the House as well as to eastern Canada. In it I have attempted to show that not one dollar of the cost of the Hudson Bay railway has been assessed against the people of eastern Canada; nor will it be necessary to assess one dollar for its completion. I think this outstanding fact is lost sight of by the jealous champions of "economy." who are anxious to see the whole scheme relegated to the limbo of past and forgotten undertakings, that as far back as 1882 the Land Act provided that the cost of the Hudson Bay railway should be defrayed by grants of public land in the northwest, and that in 1908 when the government had decided to build the railway to the bay the Dominion Lands Act was amended by Hon. Mr. Oliver, with the consent of parliament, to provide that the cost of the undertaking should be met by proceeds from the sale of pre-emptions and purchased homesteads in certain western areas particularly interested in the completion of the route. And while it is true that the amendments to the act did not specifically provide the earmarkings of the fund for this purpose, yet Mr. Oliver made it plain that the object was to create a new source of revenue which would not add anything to the eastern burden of taxation, nor constitute any additional drain on the treasury. Mr. Oliver, speaking in the House of Commons on June 23, 1908, said, as reported in Hansard at page 11,152:

> There is I believe sufficient to achieve the purpose we have in view and not sufficient to warrant the anticipation of injury which seemed to lie heavy on the minds of some of our friends this time last year. At the same time we propose to relieve the mortgage, so to speak, which to-day lies against the 6,500,000 acres of land of the northwest in respect of the Hudson Bay railway. As long as that provision remains in the statute books, it is a notice by parliament to the world that, in the estimation of parliament, it is a proper policy to grant 6,500,000 acres of land in order to construct a railway from the Saskatchewan to the Hudson bay. That is not in accord with the policy of this government nor is it in accord with its administration, but by passing this bill, we relieve ourselves of any claims, past or present or future, against that 6,500,000 acres. The difference between the proposal in this bill and the provision in the Lands Act is this:
>
> That if the provisions of the Lands Act regarding a grant to the Hudson Bay railway were implemented under the practice that formerly prevailed, whatever company should build that road would have the right to select 6,500,000 acres wherever they might see fit throughout the Northwest Territories and upon the completion of the road this land would become their absolute property, to be held by them until they could secure such prices as they might see fit to exact.
>
> It was under this policy that 32,000,000 acres which have been alienated were held and a large part of it is being held to-day, a burden which has to be carried by the settlers of the west—

I hope the House will notice this:

> —who will ultimately have to buy the land and dig the price out of it by their toil, enterprise and saving. Instead of taking that course we propose to allow the purchase by actual settlers, on settlement conditions of, say, 5,000,000 acres of land, realizing thereby out of a fixed and moderate price per acre sufficient money to meet the requirements of the government in respect of the Hudson Bay railway. Under the system that prevails of land grants to railways which we are displacing by this bill, the enhancement in values by reason of the settlement and improvement of the country enures to the benefit of the settlers. This is radically different to the Lands Act as it stands. There is no money which a settler who builds up a home on the prairie can make out of his land which he does not earn, and who, I ask, is better entitled to the enhanced value of the land by reason of settlement than the man whose settlement gave enhanced value? It is because the settler will have the benefit of the enhancement in value of the land that I ask the approval of the House to this bill.

The House did approve the bill, Mr. R. L. Borden, then leader of the opposition, however, remarking:

> And, if not an acre of land is sold in ten years, I trust, and am led to believe, the Hudson Bay railway project will still go on in the meantime and without delay.

It is to be noted, Mr. Speaker, that the proposal of Mr. Oliver made it necessary for actual homesteaders or bona fide settlers to provide the revenue required for the project. Homesteaders in the area through which the railway would run could pre-empt an extra 160 acres of land for $3 an acre; in other words, those who contributed to the fund were those most directly interested in the Hudson Bay railway enterprise. Mr. Oliver estimated the cost of the 500 miles of road at, roughly, $15,000,000, and in this he made a wonderfully accurate calculation, for we find on examination of the records that a little over $14,000,000 has already been expended, and according to the evidence given by Deputy Minister Bell—and I hope the House will get this very clearly—in 1919 $1,000,000 would have completed the road. I think it is an awful indictment, an indictment that will stand against the government of that day for all time to come, that they did not go ahead at that time and complete the road. It will be seen that the proceeds from the sale of these lands amounted to about $28,000,000, or sufficient, even at this date, to complete the road and put the whole enterprise in first class shape, and in addition provide for the construction of some grain elevators.

I am tempted at this point, Mr. Speaker, to remind the House how much more careful and accurate was Mr. Oliver in his estimate than were some of his predecessors. In 1895, and again in the general election of 1896, Sir Wilfrid Laurier and his colleagues stumped Ontario in the interests of the National Transcontinental railway, informing the people that that enterprise would cost not more than $13,000,000. Years later, when the people of Canada were compelled to take over this same railway, which in the meantime had passed from political propaganda into an actual railway, it cost them the great sum of $357,000,000.

Under the act of 1908 the following sales of pre-emptions and purchased homesteads were made—and here is proof of what we have always contended, that there has never been any assessment whatever upon eastern Canada for the construction of this railway:

Saskatchewan:	Acres		Acres
Pre-emptions.. ..	4,371,200	Homesteads.. ..	776,320
Alberta:			
Pre-emptions.. ..	2,573,600	Homesteads.. ..	329,600

In other words, a total of 8,050,720 acres of land was dealt with. It would be found by anyone who cares to look up the records that a great deal more land than the actual amount set apart by Mr. Oliver was sold. He valued the pre-empted lands at $15,290,059, and the homestead lands at $3,269,102; but as a matter of fact, as I say, they sold a great deal more than that. On the basis of Mr. Oliver's estimate the pre-emptions alone would have amounted to $20,834,000, or a little more than has been expended on the railway and harbour up to date.

Mr. McMASTER: The hon. member has cited a most illuminating epistle in the course of his interesting observations, but I do not know whether he gave the author.

Mr. WARD: I was quoting from a speech delivered by Hon. Frank Oliver. At the time he presented his bill to the House he was Minister of the Interior in the Laurier government.

Mr. GRAHAM: That was a good government.

Mr. FORKE: They have been living on their reputation ever since.

Mr. WARD: Now, Sir, the hon. member for Springfield (Mr. Hoey) referred to the possibilities of the two ports. I think I told the House last session that I had visited Port Nelson myself, and while perfectly ignorant of what is required to constitute a harbour, yet I do claim to have some horse sense. On that occasion we could see no particular obstacle in the way of making Port Nelson a safe harbour. In my own constituency there is a little lake twenty to twenty-five miles long by ten miles wide, and almost every day in the summer you will observe a much heavier sea there than any that prevailed in the harbour during the week we were at Port Nelson. I would say that at no time would a large canoe not have been quite safe in the harbour during that period, and that it was probably the most dangerous of the year, from the 17th to the 23rd of September.

A criticism that has recently been directed against the Hudson Bay project is that the grain movement of western Canada would not coincide with the period of safe navigation of the Hudson strait. That probably is to a certain degree true, but not any more so than it is true in respect to the period of navigation of the Great Lakes. For example, there were only 48,000,000 buhels of grain shipped from the head of the lakes last year before the close of navigation. I would say that, roughly speaking, the export of grain from western Canada that will have to pass through the ports of Fort William and Port Arthur will probably be 200,000,000 or 250,000,000 bushels. So it will be seen that as it is, only a very small percentage of the grain passes out through those ports before navigation closes. It has been estimated by shipping experts that if a farmer living in the district of Saskatoon were to bill two cars of grain, on the same date to Liverpool, one via Hudson bay and the other via Montreal, the car billed via Port Nelson might very well be in Europe—in Liverpool, if you like—ground into flour and baked into bread before the other car had reached Montreal. It takes an average of one month between the time a car of grain is billed at the local elevator and the time it is discharged from an elevator in Montreal to an ocean-going liner, and it is estimated that grain can be delivered in any port in Europe via Hudson bay in less than a month from the time it is shipped out. It would be of infinite value to western Canada if we could deliver our grain on the European market two weeks earlier than we are doing at present. I have been told by some of the older millers of Canada that the mills all over the world are short of Canadian hard wheat from April right through until our hard wheat starts moving to the market. The reason why there is a premium on Canadian hard wheat at that period of the year, is because of the competition for the securing of that hard wheat to mix with the softer wheats

that are obtained from the more southern countries during the winter months. So that if the Hudson bay route will give us an advantage of two weeks; if we can deliver our grain in the markets of the world two weeks earlier via that route than we can via Montreal, that is a benefit which would be incalculable.

My own impression after having visited the bay is that the opinion held by many men that the route would not be safe for navigation for more than three months in the year is entirely preposterous. I was at Port Nelson about the 20th of September. The hon. member for Springfield (Mr. Hoey) has told the House what the weather was like when he was there. I do not remember what he said the date was, but when I was there the weather was just as warm, I am sure, as it would be on the Niagara peninsula at that time of the year. During our entire trip, which extended into October, I kept a record of the mean temperature, and when I got back home and summed it all up I was amazed to find that it averaged, day and night, 55 degrees farenheit. I venture to say that it is doubtful whether in any other part of Canada the temperature at that time of the year would be as high as it was on the shore of Hudson bay. I cannot believe for a minute that with the weather such as it was at Port Nelson, there would be huge ice floes and so on 400 miles up the bay, or at Hudson straits, and that the whole thing might be frozen up. Nor do I think that the Almighty placed a great inland sea in the heart of the American continent without a purpose, and I believe that purpose was to serve the great western country.

Only a few days ago I had an interview with the chief of the Geological Survey here in Ottawa and I asked him what he knew about the iron ore of the Belcher islands. The Survey branch have sent men to those islands to study the quantity, quality and
5 p.m. value of that iron ore, and he tells me that it is by all odds the most extensive and valuable deposit in Canada. The ore averages about 45 per cent high grade iron, which is as high as anything else we have in Canada. In extent we have nothing else to compare with it.

Now, Mr. Speaker, I could go on for another hour in dealing with this matter, but surely enough has been said. We have shown that the Hudson Bay railway has not cost eastern Canada one red cent. It is purely a western project, But while it is a western project, I claim that it is also a national project. We have frequently been asked why western Canada did not build the Hudson Bay railway itself and not be calling upon the federal parliament to deal with the matter. Well, in reply to that I would say that when the west is given a reasonable deal in connection with the control of her natural resources; when British Columbia assumes the responsibility of the development and maintenance of Vancouver harbour; when Prince Rupert harbour and dry docks are maintained by the province of British Columbia, and when Ontario does likewise for the port of Toronto and also takes over all liabilities in connection with the Welland canal and the Trent canal; when the province of Quebec charges itself with the task of maintaining and developing the St. Lawrence route, the port of Montreal, and a score of other national undertakings in that province; when it is agreed that the Canadian cost of developing the St. Lawrence waterways from Montreal to Toronto is to be met by the provinces of Ontario and Quebec; when these things are done it will be high time for eastern Canada to expect the west to develop that great national undertaking, the Hudson bay route. But I venture to say that none of these things will be done. The west is paying more than her fair share of the development of these enterprises, and for that reason the east is not likely to adopt any other policy than the present one.

I have mentioned in this connection the Welland ship canal, and I wish to make just a reference to that undertaking. I stated a year ago, Mr. Speaker, and I want to repeat it now, that neither the Minister of Railways (Mr. Graham) nor anyone else in Canada can prove—and I challenge them to do so—that the Welland ship canal is worth fifteen cents to the public of this country. The Welland ship canal will never reduce the carrying charges of grain by one-thirtieth of one per cent,—and I want this to be on record. Nor will it ever reduce the carrying charges of goods into western Canada. The Welland ship canal will benefit no one except the lake carrying companies, and probably the cities of Toronto, Port Arthur and Fort William Immediately the Welland ship canal is completed, if it is of any value, what will we find? We will have the Port Colborne elevators scrapped; they will become a pile of concrete. We will have the members from Toronto down here demanding another $20,000,000 for the building of grain elevators at Toronto, and we will go on paying exactly the same that we are paying to-day in carrying charges. I was astonished when I saw in the estimates this year another $15,000,000 for what to me

is a most unjustifiable expenditure. The only other expenditure made during the last thirty years in Canada that compares with it at all, to my mind, is the expenditure on the government merchant marine. The minister might very well have foregone the expenditure on the Welland ship canal for this year and spent a little of this money on the Hudson Bay railway. Of course, that may be his intention in any case.

The government is being urged to inaugurate an aggressive immigration policy. With this I am largely in agreement, as I believe the future of this country depends in a very large degree upon our ability to attract, retain and maintain settlers in this country. But that can only be done, Sir, by the adoption of policies that will make it reasonably possible for people to succeed when they come here. The one great stride that could be made in that direction would be to complete the Hudson bay route at once and thus with one stroke reduce the cost of living in the three prairie provinces by anywhere from $100,000,000 to $200,000,000. The Minister of National Defence (Mr. Macdonald) smiles. I may tell him that I delivered an address at a certain town in Saskatchewan a year ago during the course of which I made that same statement. Shortly afterwards I received a letter from the Toronto Saturday Night stating that a reporter who had been at the meeting had reported me as having made that statement, and it appeared to them so preposterous that the editor hesitated to publish it without first communicating with me.

I took the Canada Year Book, and in reply gave figures absolutely proving my statement. I worked out a rather comprehensive statement showing that $175,000,000 per year is being lost through the non-completion of the road and sent it to the Toronto Saturday Night and requested them to publish it but, of course, needless to say, they never did publish it. It can be proven absolutely that western Canada has been losing for many years a sum ranging anywhere from one hundred to two hundred millions of dollars through the non-completion of the Hudson Bay railway. Take the grain trade alone, and it costs western Canada on the average $82,000,000 per year—or has done since 1920—to transport our grain crop from the head of the lakes to tide water, to say nothing about all the other exports and imports from or into western Canada. And it must also be remembered that the head of the lakes is one hundred and thirty miles farther from the average railway station in western Canada than is Port Nelson. So upon the basis of the present railway freight rates you could add another $15,000,000 to the figures mentioned, which brings the cost of transporting our grain from the head of the lakes to tide water, to practically $100,000,000. That charge would undoubtedly be saved if the grain was carried out via Hudson bay. I do not contend for one minute, I am not so foolish as to entertain the view, that we could in one year, or ten years, or probably in twenty years, develop the Hudson bay route to the extent that would enable this large percentage of our grain to be carried out by the Hudson bay route. But that route would certainly be a leveller in the matter of rates and it would remove the need for some magna charta such as the Crowsnest pass rates in the west. Western Canada can never relinquish its claim and its hold upon the Crowsnest rates, it matters not what the consequences may be without some proper equivalent. Out there we are marooned in the heart of a great continent, fifteen hundred to two thousand miles from tide water. We have not the advantages of water competition such as you have in eastern Canada, and there is no limit to which western Canada will not go to retain the Crowsnest pass rates —at least until we get the Hudson bay route in operation and it has proven a success. The opening of this great national route to the north would bring the average settler of western Canada anywhere from one thousand to twelve hundred miles closer to the markets of the world; and it would remedy the situation which the government is now facing of establishing a new freight rate structure such as will be acceptable to western Canada and all parts of the country.

We hear a great deal about the feasibility of the route, and in that connection some very extravagant statements have been made. I think the Minister of Railways himself made the statement last year that it would cost approximately $20,000,000 to complete the road. I am very largely in agreement with the views of the late W. A. Bowden, chief engineer of the Department of Railways and Canals, who, when giving evidence before the Senate committee, said:

> The feasibility of the route might well be determined by the operation for a few years of vessels by the government. I think twelve vessels; six to be owned by the government which might have 50 per cent extra for ice strengthening, and six ordinary tramp steamers would be chartered. This would be the basis on the experiment.

In my opinion that would be a very excellent experiment to make. I would be entirely opposed however, to any huge ex-

penditure upon the road until its feasibility has been absolutely determined. Personally, I cannot think for one moment that there is anything wrong with that route. I know a man very well—have known him for some twenty years—who spent twelve years in the employ of the Hudson's Bay Company as a mariner on one of their boats. He stated to me most emphatically, and he is a man in whose integrity I have every confidence, that he traversed Hudson straits for nine months of a given year in an old sailing boat, and that there is no reason in the world, if proper aids to navigation are provided, why the straits cannot be navigated the whole year round. In fact, he said, there is no difficulty whatever in that particular district. The only difficulty exists at the mouth, or at the east end, of the straits where the icebergs coming down from the coast of Baffin-Land may at times impede navigation. But he claims there is no particular danger in the navigation of those waters, in fact he maintains there is much greater danger off the straits of Belle Isle and the straits of Northumberland for shipping passing between the Atlantic coast and Europe—that the dangers are very much greater in these waters, than in the case of a vessel going by Hudson strait.

I do not think I will weary the House much longer except to make a reference to the Prime Minister's trip through the west last year. If I remember aright, speaking in the city of Saskatoon—and let it be remembered that the district of Saskatoon is right at the mouth, as it were, of the opening to Hudson bay; a district where the people are one hundred per cent in favour of this project—the Prime Minister said that while he favoured the road he could not promise that it would be carried on until the finances of the country could stand the expenditure. Well, I have studied the records and I find out of last year's estimates $41,000,000 was for works that were not as necessary, or could not be classed in the same category at all, as the Hudson Bay railway. Imagine the Prime Minister therefore going up into the district of Saskatoon, or other points in western Canada, and talking that way after parliament had voted between five and six millions of dollars to build a municipal bridge across the St. Lawrence at Montreal, a bridge for which parliament had no more right to vote money than it had for a bridge across the Red river at Winnipeg. But the supporters of that project said "Oh, but we will pay the interest". If it were merely a question of paying interest I would be perfectly justified in asking for the construction of a bridge in my own constituency. Neither was there any justification, in comparison with the needs of the Hudson Bay route, of parliament undertaking an expenditure of twenty or thirty millions—of which $7,000,000 was voted last year—for the construction of a viaduct in the city of Toronto; nor for the votes of millions of dollars on the Welland canal last year, nor for the large appropriations voted at the same time for the ports of Montreal, Quebec, Halifax, Vancouver and Prince Rupert. I venture to say that, notwithstanding the large expenditure for these projects none of them can be regarded as at all in the same category as the Hudson Bay railway.

Mr. CAHILL: If the government does not undertake the development of the ports of the country how would those ports be developed to the extent necessary to take care of the shipment of grain or cattle from western Canada, or the rest of the import or export trade? If the government did not provide for this expenditure who would undertake the work?

Mr. WARD: I am not complaining of the development of the ports in question. But what I do say is that these works are not so necessary or so pressing as the Hudson Bay railway which stands in a class by itself. As to the need of the latter enterprise I can take my hon. friend to my own district where eighty-six families left one section, a section of about eight miles square, last year owing to the lack of needed transportation facilities. We hear hon. gentlemen to my right talking about the troubles that our Canadian manufacturers are having, and how they are becoming insolvent and that sort of thing. They do not know what they are talking about. Premier Bracken made the statement a little less than a year ago that he believed 90 per cent of the farmers of Manitoba were hopelessly insolvent, and I do not think he is far out. When you consider that it costs an average of 63 per cent of the value of production in western Canada to ship to tidewater, you will understand why they are insolvent. That is what is the matter with the manufacturing and the mercantile business at the present time. The farmer has no purchasing power. He cannot pay out 63 per cent of the value of this product and have any money left to purchase material.

I would like to make a final reference to the Minister of Agriculture (Mr. Motherwell) and to that famous speech on the budget that he delivered the other day. I would call it a herring speech. I visited the market the next day after he had spoken, I wanted to

buy some fish. I went to a fish vendor and he had nothing but suckers, and he wanted fifteen cents a pound for them. I complained about the price, and he said, "Yes, it is high, but the Minister of Agriculture has cornered all the red herring and it affects the price all along the line". I am not in agreement with some hon. members who have spoken before me in congratulating the minister on his conversion to the Hudson Bay project. I am quite sure that if the electors of the constituency of Regina had known that the minister was not a convert to the Hudson Bay railway and to the port of Nelson proposition he would not be occupying a seat in this House to-day, and I venture to say that unless he is a convert to the Hudson bay route and the port of Nelson he will not occupy a seat in the next parliament. I am not given to prophesying, but I think that is a prophecy very easily made. I hope we will not go away from this parliament disappointed this year. In common with the hon. member for Springfield (Mr. Hoey), I have a very great regard for the Minister of Railways (Mr. Graham), and I believe he is absolutely sincere when he tells us that he is desirous of seeing the road completed. I believe he would like to see it completed and I think he would like to drive the last spike in the road himself, and would like to drive it this year. If he has the interests of confederation at heart, and if the Prime Minister (Mr. Mackenzie King) has the interests of confederation at heart and wishes to see it continued, I would suggest to him that he also be a convert to the immediate completion of the road. I hope that we will have the pleasure of seeing a very substantial estimate in the supplementaries for the Hudson Bay railway this year.

Mr. W. J. LOVIE (Macdonald): In the second week of January, 1925, at the annual banquet of the Shorthorn Breeders' Convention in the city of Brandon, in the after-dinner speeches, the ball was set rolling by Dean McKillican of the Manitoba Agricultural College, and the line of the shorthorn dairy cattle breeding was taken up, and following that line there was a discussion as to the export of cattle to the British market. Naturally the question came up as to how the expensive rail haul between the prairie provinces and Montreal could be eliminated, and along with that the depreciation in weight of live stock when carried on the railways, which was very great. No one seemed to be able to answer the question until it came to my turn, and I was pretty nearly the last speaker. Present at the meeting were Mr. Atcheson, representing the Canadian Pacific Railway, and Mr. Watson representing the Canadian National, and when I mentioned the feasibility of the Hudson Bay railway as a means of transporting cattle to the ocean ports with about five or six hundred miles of rail haul, the gentlemen from the railways deprecated the proposition, threw cold water on it, and said that the Hudson bay was ice-bound and consequently would not be feasible for such a purpose. But the men who were raising the cattle—and there was a large number of them at the banquet—immediately started to cheer; that is what they had been waiting for, and that is what they are waiting for to-day. If the stock raising interests of western Canada are ever going to amount to anything some means must be found of eliminating the long rail haul between the stockyards in St. Boniface and tidewater, and the shortest route for the transportation of cattle is by a railway to Hudson bay. It is a well known fact that cattle lose weight rapidly when carried on the railways, but when they are transported in vessels on the ocean they are just as apt to gain weight as to lose it. They will certainly hold their own. We want to develop the British market, just as we want to develop all available markets, so that Great Britain will take an unlimited quantity of high class cattle. They do not want anything else but high class cattle, and Canadians have not yet been educated along the line of raising a class of cattle fit for export. The American market will take all the cattle of inferior grades at a price. If we raised high class cattle we would certainly be able to find a market for them.

In reference to the statement that Hudson bay is ice-bound, I might say after listening to the debates which have been held in this House, I am convinced that such is not the case. I quote now from Hansard of June 29, 1923, and I find the following opinion expressed:

> As far as I can see it with the icebound bay—

That is in reference to Hudson bay. And now in contradiction of that let me quote here, a speech by John A. Campbell, Commissioner of Northern Manitoba, a man who has travelled all over the country and who knows. He says:

> Hudson Bay
>
> This is a vast inland sea; a body of salt water eight hundred miles long by five hundred miles wide. It does not freeze over.

I have here, reproduced from the Manitoba Free Press of June 14, 1924, a photograph taken of Port Nelson on January 24, 1919—midwinter. It shows open water in the bay on that date. So that must certainly dispel the idea that Hudson bay is a frozen body

of water. It is a vast inland sea eight hundred miles long and five hundred miles wide.

Mr. Campbell stated further:

> The water is deep, and there are no obstructing rocks or islands and practically no icebergs to interfere with navigation. There are no special obstacles to be overcome by navigators, and all reports go to show that this immense body of water can be as readily and easily navigated as almost any other.

The hon. member for Springfield (Mr. Hoey) in his address this afternoon, mentioned the fact that people were apt to form erroneous opinions of western Canada, and that brought to my mind an incident that happened to myself personally about twenty-two years ago on board ship on the Atlantic when I was accosted by a gentleman whose home was in the city of Milwaukee. He said, "I hear you come from Manitoba?" I said "Yes." He said, "I would like to find out what the country is like. I have some friends who are talking of going to that country. Is it possible for a woman to live there and is the climate such that people can live there during the winter?" I said: "I have been twenty years in Manitoba and I have a wife and my two eldest youngsters with me. I will let you see them so that you can see whether they can live through the winter." He confessed that he was very much surprised. He had heard that the country was not fit for white people to live in. Some people have the same idea regarding the Hudson bay country. When the Hudson Bay railway is completed to tidewater, the hardy British sailors are going to bring their steamers in there and take out cargoes of grain. They are going to prove that that port was placed by the Almighty in the heart of the American continent, not for nothing, but to be the gateway of the great granary of the empire, and also for the grain of North and South Dakota and probably the eastern half of Montana. That is the nearest point to seaboard they can have.

As regards shipping wheat from there, we must always remember that there is no part of the country where wheat is grown as a commercial proposition that is further from the seaboard than the prairie provinces are from the Atlantic seaboard. That makes it harder for the people of the prairie provinces to produce wheat at a profit. We are looking forward to the utilization of the port of Nelson as the means of having our grain reach the seaboard with as short a rail haul as possible.

Mr. C. WALLACE STEWART (Humboldt): Mr. Speaker, this is the fourth time that I have risen in this House to speak on this subject, and I do not propose at this time to repeat the arguments that I have presented in the sessions immediately preceding. I along with my colleagues here have attempted to place before the members of this House almost innumerable arguments why this project should be taken up and proceeded with in its proper order. I recall that I have myself attempted to point out the advantages of this road and particularly its directness to the European market. The hon. member for Macdonald (Mr. Lovie) has just pointed out its advantage to the stock raiser and grain grower. Last year, I think it was, I placed on Hansard certain figures which, on later consideration, I found to be very conservative as to the quantity of grain that was immediately tributary to the line leading in the direction of and almost to Hudson bay. I have also placed on Hansard reports of various men whose opinions are worth while and deserving of consideration as to the feasibility of this route. I do not think there are many arguments that have not been canvassed and presented.

I want, however, at this time to call the attention of the House again to the very moderate language of the resolution which we are debating this afternoon. The hon. member for Prince Albert (Mr. Knox) is asking the House simply to reaffirm a decision which it made some two years ago when it was decided that the Hudson Bay railway should be proceeded with in the proper sequence of public works that are under way. All that we are asking, at the present time is that the House should decide that this work of great national importance should be proceeded with in its proper sequence. I agree heartily with the statement made by the hon. member for Springfield (Mr. Hoey) as to what would be proper and acceptable in the way of furthering this scheme. The people of western Canada are demanding in no uncertain tones, that it must be proceeded with, but it is unnecessary, I think, for me to say that the people of western Canada are not unreasonable, that they realize that neither this government nor any other government can or should expend huge amounts of public money at one time, and that time the present. But they demand that this work shall be continued, and that a reasonable share—may I so put it—of the money that is expended on public works should be expended on that project which is dear to them and which is apparently, in their estimation, going to be of great value to them. If the laying of the steel on the grade that is already there were continued, no complaint, no grumbling would come from the people of western Can-

ada as to a lack of money being spent on the port.

The development of our ports, as has already been pointed out, is an expensive matter, and a matter that, not only because of the expense but because of the use of our ports, is pre-eminently a national affair. It is not something that can be done in a day. It is very easy for us, viewing the ports of our country and the state of comparative completeness to which some of them have attained, to say that they are entirely satisfactory, and then, pointing to a port such as Nelson which, in the barrenness and openness of the very beginning of the work, there, does not compare very favourably with a port such as Montreal, or Halifax or Vancouver, to say that it is altogether impossible that the port of Nelson should ever compare with those ports. But any person who would make such a statement is not giving due consideration to the history of the ports of this country.

I want for a few moments this afternoon to direct the attention of the House to the development of one of our great water routes which has at least two very important ports upon it. That is the St. Lawrence route with the ports of Quebec and Montreal served by it. I do not want anything that I may say to be taken as casting any reflection upon the wisdom of the expenditure, nor to make any statement as to the amount that was spent having been too great. I point out simply that it cost many millions of dollars and it took may years to develop that route to the comparatively perfect stage in which we find it to-day. That route was used, I suppose, nearly three hundred years ago as a route for commerce, and because for the life-time of this generation it has been looked upon as a safe route, we have, I think, as Canadians, almost forgotten that at one time the St. Lawrence river route was not considered a safe highway for the larger boats of commerce and that it was never expected it would develop into a highway for the trading vessels of the world. For two hundred years that route was used by the smaller vessels and used even by them with great danger and loss. During those very same years the Hudson Bay route was in use with less loss than the St. Lawrence route. At the time of confederation no great sums of money had been expended in developing the St. Lawrence waterway up to the port of Montreal. It was considered a highly perilous highway for large vessels to take, and reports that were made to parliament shortly after confederation bore out that statement. I have a few notes as to some of the figures that were given. The report I have in my hand is one made to the Minister of Navigation in the year 1867 by the Quebec Board of Trade, and I want to quote just a few words from that report:

> The most urgent and important requirement is the removal of the lighthouse (with its miserable light) from the centre of Red island, and the substitution of a lightship at the east end of the Red islaad reef, with a steam whistle for thick weather. The report upon the wreck of the Ellen in 1866 (when the whole crew perished) will show that at present the reef extends fully two and one-half miles southeast of the lighthouse and that in foggy weather a ship is ashore before the island light can be seen. During the present season—

That is 1867.

> —no less than five ships have struck upon this island.

The report goes on to demand another lightship, declaring that there was sufficient proof of the necessity for it. This proof, it says, is to be found in the fact that in 1864 four vessels were lost at that particular point. In the year 1869 a total of 600 vessels used the ports of Quebec and Montreal and of these twenty-six were wrecked either on the inward voyage or on the outward course. Compare that with the figures in relation to Hudson bay. The Hudson's Bay Company made use of the bay as well as of Port Nelson for a matter of some two hundred years, and in that two hundred years, with 750 sailings, only two vessels were lost. A judicious expenditure of money over a considerable number of years has brought the St. Lawrence route up to a state of development in which we no longer consider it dangerous. As a matter of fact, I do not recall having heard of a vessel being wrecked on that route, in quite a number of years, from any other cause than collision. All the dangers have been removed and the route has been developed to a state of perfection by the expenditure of very considerable sums of money which, if they were totalled up to the present time, including the cost of maintenance from year to year, would be far in excess of $100,000,000. The capital expenditure alone is now something over $90,000,000 over that 200 miles. Perhaps hon. gentlemen may think this comparison has little to do with the route into Port Nelson, but I hold that it has. It has been by means of modern navigation aids that the St. Lawrence has been made a safe highway for the largest vessels that travel the Atlantic ocean, and the same aid applied to Hudson bay would place it in a fairly favourable position to compete with the St. Lawrence route.

It has been brought to our attention at various times, and recently by the Minister of Agriculture (Mr. Motherwell), that there

are certain mud flats at the mouth of the Nelson river and that it will probably be a quite expensive matter to make a thoroughly satisfactory channel through those mud flats to the open bay. But I think that if we accept that statement seriously we are overlooking the fact that there is through these mud flats at the present time a channel which gives a sufficient draught of water for ordinary sized vessels; in fact, it gives the same draught of water to-day as there was on the St. Lawrence for fifteen years after confederation.

Mr. McMASTER: What is the depth of water in the channel?

Mr. STEWART (Humboldt): About seventeen feet; no, an hon. member corrects me and says it is nineteen. And I believe that is correct. But that of course is at low tide; the tide at that point would add another four or five feet. On the St. Lawrence route to-day there is a draught of thirty feet, but we must not forget that this has been made possible by considerable dredging in lake St. Peter; and it has cost in that particular area alone, I am told, something like $15,000,000 to achieve this result. Nor was this condition brought about without many disappointments; it was only after many starts had been made and the work had been abandoned and resumed that the route as it is to-day became possible. Now there is a highway through the flats of that lake 450 feet in width and thirty feet deep, all the result of work done during the last fifty years.

If, as has been suggested this afternoon, the present government would undertake to lay the steel on the graded roadway to the port of Nelson and make even sufficient provision there for tramp steamers to find their way in, I for one, having advocated or pleaded, if you like, for the completion of the route, would consider that a satisfactory step to begin with, and I should be willing to leave it to possible developments, in the way of navigation and in the traffic that would be available, to prove whether the port were worthy of further consideration and whether, in the case of that port as with other ports that we have developed, we should continue steadily to expend money to improve it and make it safer and more convenient than it is at the present time.

I contend that we need to-day men who have something of a forward vision. Too many of us are looking back over the past; we see what has been accomplished and when we contemplate the things that lie ahead of us awaiting development we are fearful. Had the men who undertook to develop the port of Montreal or the port of Quebec, or for that matter any great port in Canada, looked at the matter with the fear and trembling which some hon. gentlemen profess to have in regard to the port of Nelson, we should have had no Maritime connections at the present time; we should have been isolated. We want forward-looking statesmen who are willing to take a chance on the future just as our forefathers took chances on a country which was held up to them as rocky and ice-bound but which they made productive, a country which is now clamouring for greater outlets than it has.

Mr. ANDREW McMASTER (Brome): I feel I am going to introduce a jarring note into these paeans of praise in favour of the continuation and the finishing of the Hudson Bay railway. What I should like to impress on members of the House, if I could do so, is a feeling of responsibility in regard to the financial condition in which this country finds itself. The last speaker, Mr. Stewart (Humboldt), with his glowing periods of appeal to us to look forward and to take broad views and be hopeful, really needs some corrective, and I propose in all humility and modesty to apply that corrective in the few brief minutes that remain before six o'clock.

One thing I want to know about the Hudson bay route, before we spend more money on it, is this: How many months of open navigation have they there year by year? How many months of open navigation have they, not in the bay itself, which is open the year round, but in the body of water leading into the bay known as Hudson strait? How many months is the strait safe for navigation? I should be glad to think that this was a good route: I have never in this House shown myself either parochial or provincial. There are some who think that those who come from Montreal are against this route because they come from Montreal. I am not really affected by that supposition in any shape or manner; but I want to know how many months of open, safe navigation there are through Hudson strait. I am told that it is not open for more than six weeks or at most three months. If that is true, is it wise—

Mr. CAMPBELL: Who told you that?

Mr. McMASTER: I have been told that by every person with whom I have discussed this question and who is familiar with the situation. One of my informants is a man who comes from Prince Edward Island—in itself a recommendation for respectability and

truthfulness. He took a ship up to Hudson bay. He let me examine the ship's log. He started from Halifax some time in early July. and it took him one whole month getting through the ice in the straits.

Mr. KNOX: Was he not taking a dredge that was not supposed to be a seagoing ship at all?

Mr. McMASTER: No, he was taking one of the government steamers, and he had on board lighting appliances to be set up in different portions of the straits. He was running a perfectly well-found steamer.

Mr. HUGHES: An ice-breaker?

Mr. McMASTER: No, I do not think so. At any rate, it was a steamer perfectly suited to navigation anywhere, not a dredge. This man allowed me to look at the ship's log. I traced her course on the map day by day, and I found it took him about four weeks to get through Hudson straits. Then it was all plain sailing and it took him only two days to get across from the top of Hudson bay down to Port Nelson. I believe from the best information I can get that you cannot count on more than three months open water at the outside.

Mr. STEWART (Humboldt): Had the navigator to whom the hon. member refers any knowledge of the ice field in which he was tangled, were there any navigation aids to assist him through the channel?

Mr. McMASTER: He was a perfectly competent mariner. No, there were no navigation aids; his duty was to set up such aids. But I do not care how good your lighthouses may be, if there is any ice you are bound to have difficulty in getting through. Is it wise to spend a great deal of money for the sake of opening up a channel which can be used at the outside only for about three months of every year? I doubt if it is.

Mr. KNOX: I do not want to delay the hon. gentleman, but I think we should have the mystery of this long-delayed trip cleared up. I presume the mariner to whom he refers was Captain Read?

Mr. McMASTER: Yes.

Mr. KNOX: He was in that "million dollar mystery dredge" which has been often referred to, and he had a very slow trip in. I wonder if that was the boat?

Mr. McMASTER: No, it was not that boat. I forget its name.

Mr. DUFF: Was it the Minto?

Mr. McMASTER: Yes.

Mr. HUGHES: That is one of the best ice-breaking boats we have.

Mr. McMASTER: We get confirmation from a gentleman from the island that the Minto is one of our best ice-breakers.

Mr. BEAUBIEN: Will the hon. member contend that Sir Wilfrid Laurier, the present Minister of Railways (Mr. Graham) and others who were connected with the Liberal government at that time went into the project blindfolded?

Mr. DUFF: Pretty nearly.

Mr. McMASTER: I will answer the question in this way. Unfortunately for the taxpayers of Canada the Hudson Bay railway has been a political football, kicked by both of the old parties for the last fifty years, and it is now being kicked by the Progressive party.

Mr. WARD: Is not that true of most of our transportation projects?

Mr. McMASTER: I am sorry to say that I think this project has been viewed rather in a partisan way than in a common sense, practical way.

Mr. BIRD: What date did the captain of the Minto clear the straits on his way out?

Mr. McMASTER: I cannot tell my hon. friend. He started from Halifax early in July, if I remember the entry in the log.

Mr. DUFF: Do you want to read the log again? I have it right here.

Mr. McMASTER: I have a copy of the log. He left, from Halifax, I think, about the first of July, and he was a month getting through the straits.

Mr. BIRD: When did he come back?

Mr. McMASTER: Quicker than he went—I think some time in September.

Mr. BIRD: Then how could he tell navigation was only open for three months?

Mr. McMASTER: The point I make is, that I do not think anyone has ever pretended that there is more than three months of open navigation through the straits.

Some hon. MEMBERS: Oh, no.

Mr. DUFF: There is not three days.

Mr. McMASTER: After all, those who know about the length of navigation through the straits are largely people from our Maritime provinces. Through their sealing and fishing business they are more conversant with

conditions in the north Atlantic than are people in the prairie provinces, no matter how well informed the latter may be as to their local conditions. My first point is this, that you have a short period of navigation. My second point is, that you have a dangerous period of navigation. I have never had any apostle of this Hudson Bay railway tell me what the insurance rates are going to be. For years and years the St. Lawrence route has been prejudicially affected, in fact it is to-day, by high insurance rates compared with similar rates from the United States Atlantic ports.

Mr. STEWART (Humboldt): The St. Lawrence route is doing very well, though, is it not?

Mr. McMASTER: Yes, it is doing better, and we have spent millions and millions of dollars in bringing it to its present standard. When I consider what the probable insurance rates would be on boats going through the Hudson straits, as far as I can judge the situation I am afraid that those rates would be so expensive as to render the route impracticable.

Now, what businesses will be helped by the completion and operation of the Hudson Bay railway? The grain business will not be helped. You will not have any ships sailing out of Hudson bay ports after the middle of October. How much of your grain are you going to get down to Hudson bay ports before the middle of October? You will get mighty few bushels, and if you send your grain down there it will have to remain in storage until the spring. And spring does not open up there as it does on the St. Lawrence, in the last days of April.

Mr. KNOX: Does the hon. member know what time of the year our grain first reaches Montreal?

Mr. McMASTER: No.

Mr. KNOX: An engineer says it reaches there in the latter part of August.

Mr. McMASTER: I presume it would. I imagine your early grain would be down in Montreal ten days or two weeks after it is reaped. Some of it will go out through that port, some through Buffalo, and some through Boston; there are lots of débouchés, as we say in French, a lot of outlets; but if your grain is marooned up in Hudson bay it will not get out until next spring. Now as to cattle. Certainly it would give a splendid route for cattle, if you can count with any degree of certitude on having a speedy trip; but if you cannot, supposing a cattle boat that had taken on provisions for a two weeks' voyage was tied up for six or eight weeks, you would have to slay your cattle in order that they should not starve to death.

Mr. FORKE: That is, supposing.

Mr. McMASTER: Yes; but I am asking you to consider merely the eventualities that may happen by reason of climatic conditions over which you have no control, and which you must face. Now, the west wants better railway accommodation. Quite true; and it should have it as soon as practicable and possible. But is it wise to spend more money upon a project with the tremendous and certain disadvantages of the Hudson bay route, when the great outlet of the grain from the westward plains is not eastward but westward? What you need is better railway accommodation to bring a lot of your grain to the Pacific ports and not to Atlantic ports at all. That is what you really need.

Now, there is the question of this port, Port Nelson. What I am told is this: The Nelson river is a tremendous river; it runs through a lot of arable land and brings down every year an immense amount of silt. Although it is quite true that the current scours a certain channel at Port Nelson, that channel is more or less a narrow one and if you are going to have a large port there you will have to spend millions upon millions of dollars on it and you will have to spend hundreds of thousands of dollars year by year to keep it dredged out. I was told while I was in the west the winter before last that the proper port was Fort Churchill. I was told that at Fort Churchill there was a good natural harbour and that it was not exposed to the disadvantage of being filled up with silt.

Now, this project may come in due time, Mr. Speaker, but I would ask you, and through you the members of the House, not to regard this matter as a matter of faith and doctrine. This has become an obsession on the part of some hon. members of this House; they seem to regard it as a matter which must be accepted as a cardinal principle of western Christian belief. It should not be regarded in that fashion. It is true governments may have committed themselves to it. It is true a certain contract may have been entered into. If it is thought wise to carry out that contract equitably it should be done; if not an adjustment of accounts should take place. But some of us have the idea that it is going to help us, in spite of the evidence placed

before us, we should support a proposal which those best informed regard as a very doubtful desirability, or if not doubtful desirability, certainly doubtful practicability. With the finances of the country in the shape they are in, I want to see economy all along the line. I do not ask hon. members to give up the Hudson Bay railway idea without being prepared to advocate the giving up of many propositions nearer home. My voice as long as it is to be heard in this House will be heard for economy all along the line, and I do not think the present project is one which will appeal to the economic sentiment and feeling which I would like to see mobilized in the entire country, a feeling in favour of eliminating every expense we can get along without.

At six oclock the House took recess.

After Recess

The House resumed at eight o'clock.

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, when the House rose at six o'clock the hon. member for Brome (Mr. McMaster) was speaking against the resolution which is under discussion at the present time. He raised several objections to the completion of the Hudson Bay railway, one being that no ships could pass out of Port Nelson after October, and because of that it would be of no use for handling the crop of that year. I am afraid the hon. member is not very familiar with the methods used in moving the crops of western Canada or he would not have made that statement. The knowledge of all the people in eastern Canada in regard to the handling of the crop is not so limited as that of the hon. member, but I will quote in reply to his statement from a paper read by Frederick William Cowie, B.Sc., M.E.I.C., before the Montreal branch of the Engineering Institute of Canada on April 19, 1923. Dealing with this very objection which my hon. friend mentioned he said:

> What about the argument that "relatively short period of safe navigation does not coincide with the period of crop movement"? The writer has seen time and time again, new crop from the Canadian west, at Montreal elevators, from August 20 to 25. This grain could be at Nelson a full week earlier.

That leaves considerable time, Mr. Speaker, to get the grain loaded and out when it can be in Nelson a week earlier than August 20 or 25. He goes on to say:

> Neither the Hudson bay route nor the St. Lawrence route provides an ideal season of navigation, but there is a great similarity, the critical period of each being September, October, and part of November.

Then the hon. member raised objection to the port of Nelson, saying that on account of the silt which was carried down from the prairie country bars formed in the channel, and it was not a very good harbour for that reason—the channel, he said, was very narrow. In reply to that I want to read an extract from the evidence of Mr. McLachlan, the engineer, regarding the channel at Nelson. Engineer McLachlan in a sworn statement before the Senate committee in 1920, said:

> This new channel is a natural channel without any dredging. The depth is 20 feet at low tide, 33.7 at high tide and about 40 feet at spring tide. The width of the channel at the narrowest point is 1,200 feet.

Then my hon. friend passes on to the straits. He said he could support the whole project if the straits were only navigable for any length of time during the year. Well, in connection with that we have the evidence of Mr. J. W. Tyrell who spent considerable time on the strait making observations. He says:

> We had an observation point 400 feet above the sea, and I had a telescope built into a cairn on top of that cliff, and I used to go up every day to look at the conditions through the telescope. I could see a long distance, clean out to the middle of the straits. The ice was almost constantly on the move as in the tidal current, the maximum of which was eight miles an hour.
>
> Outside of two months there were open leads all the time. They were the months of January and February, I think. My belief is that the straits are navigable for about five months in the year, figuring on aids to navigation—July, August, September, October, and November. I think the ice at the eastern and western extremity of the straits would not interfere particularly during those five months.

I need not go into the history of the work done in connection with the Hudson Bay railway. That has been gone over many times in this House, and I do not think it is necessary to take up more time by repeating it. From the year 1910 until 1918 work was carried on continuously on this railroad and at the harbour of Port Nelson. During that time 332 miles of road were completed and laid with eighty pound steel rails, mile long sidings were constructed at various short intervals along the way to facilitate the handling of grain, and three immense steel bridges built. I think these structures are amongst the largest of the steel bridges that have been built in western Canada. Now, the government were going on laying steel until 1918 when the work was mysteriously stopped. The general impression in western Canada is that powerful interests who feared the competition of this route brought pressure to bear upon the government, with the result that the work was stopped and the whole project abandoned. This went so far that an order was actually issued to tear up the rails. From

the beginning of this process right up to the present time a campaign of false and misleading statements has been carried on in many of the leading papers in eastern Canada. The only excuse that was ever offered for abandoning this work was the excuse of economy—economy in national expenditures. Having embarked upon this policy of national economy in 1918 we should have made some very substantial savings in the seven years that have passed since then. We abandoned the Hudson bay project which offered the greatest economic possibility of any of the public works under construction at that time, and we saved $2,000,000 by so doing. This policy of economy was apparently confined to the Hudson Bay railway. If you peruse the records of this House you will find that since 1918 we have spent over $97,000,000 on eight public undertakings in this country, none of which offers the economic possibilities of the Hudson bay route. During the period from and including 1918, including also the estimates before the House for 1925, the expenditures on the following eight undertakings were as follows:

New Welland ship canal (approximately).	$48,797,000
Trent canal..	2,733,000
Victoria dry dock..	9,000,000
Quebec harbour..	2,400,000
Montreal harbour..	11,110,000
Vancouver harbour..	9,595,000
Toronto harbour..	6,972,000
St. John harbour..	6,712,000
Total..	$97,319,000

The Trent canal project I believe offers little in the way of economic possibilities. As to the Quebec harbour it is reported there is going to be a substantial grant this year.

Mr. GRAHAM: Would it not be fair to say now that several of these harbours to which my hon. friend has referred pay interest on the money? These advances are only loans to the harbour under the act and if they pay interest every year it does not cost the country a cent for carrying charges.

Mr. BANCROFT: I know of only one that is paying interest. I have not heard of any other than the Montreal harbour.

Mr. GRAHAM: What about Vancouver harbour?

Mr. BANCROFT: If the minister says Vancouver harbour is paying interest I will accept his statement.

Mr. GRAHAM: I think I am correct in saying that.

Mr. BANCROFT: I think the Hudson bay project would pay interest on the investment too. I say further that if I did not think so I would not be here advocating it. Now in addition to these large expenditures that are being carried on at this time, we must not forget that a great deal of money has been spent to make this St. Lawrence ship channel more navigable than it is at the present time.

I have before me an article which appeared in the Winnipeg Free Press headed:

When millions did not count.

That article says in part:

When the ocean greyhounds of to-day pause in their race across the Atlantic, and pick up at Father point, a pilot to steer them through the St. Lawrence to Quebec and thence to Montreal, the passengers forget the dangers which lurk beneath the blue waters in the glorious prospect of the shores.

If they stopped to consider they would realize that their pathway has been made safe because of scores of millions of dollars which have been expended in the erection of lighthouses, the placing of buoys, and the dredging out of dangerous reefs and shoals. Figuratively their ship is sailing smoothly on a river of gold.

Later on this article says:

The capital expenditure on this route as disclosed in the official reports of the Department of Marine and Fisheries at Ottawa, may be tabulated as follows:

Dredging..	$16,326,206
Montreal harbour..	36,330,000
Quebec harbour..	11,990,995
Aids (such as buoys and lights)	4,147,113
Radio, wireless and similar equipment..	1,000,000
Total..	$69,794,914

These figures do not include the current year when an additional $5,000,000 was voted for the Montreal harbour.

That was last year.

Neither do the figures contain the vast total of the upkeep charges which this year total more than $700,000 and last year more than $800,000. The Quebec harbour this year requires $500,000 which parliament has given. At the very least these figures would swell the total to $90,000,000.

Then the article proceeds to give some figures in regard to the route which my hon. friend from Humboldt (Mr. Stewart) referred to this afternoon, and among other things it tells how the difficulties were overcome to make it the great waterway that it is to-day. It says:

Judicious expenditure of money, however, has brought about a vast change in the navigability of the river until to-day it is rarely the case that ships are injured from any cause other than collision.

From Quebec to Montreal by river is a little better than 180 miles, and the dogged determination shown by the federal government and the harbour commission of Montreal in carving out of the river a passage which would enable the city to become an ocean port, has never been excelled in the history of Canada. To give a detailed account of the struggle of those years would require too much space, but there were many failures, many partial successes before the final triumph. Lake St. Peter presented the greatest obstacle with its

mud flats. Here the work of years was abandoned and a fresh start made, not once but several times.

In the end, however, nature yielded and to-day the great liners steam along a highway—not many times wider than Portage avenue—which has been made by man. When it is considered that there is more than 100 miles of dredged channel and that throughout all that distance the passage must be marked out carefully and gone over each year with dredges, then the magnitude of the achievement may be realized.

I quote that to show that while there are difficulties to overcome in the Hudson bay route, we have difficulties to overcome in the St. Lawrence route and our information is that it will not take nearly as much expenditure to make the Hudson bay route feasible as has been spent on the St. Lawrence route. The people in western Canada are unanimously behind this project; but the friends of the Hudson bay route do not all live in western Canada. I have in my hand a copy of the Scientific American of June, 1923, and on the front page of that journal I find an article headed:

Hudson's Bay, the "Neglected Sea", by John T. Rowland.

And he tells us how he cruised the straits in a 30-foot auxiliary yawl in the summer of 1913, and he says the only difficulty he found was in taking the bearing of the ship, because the magnetic points of the compass would not work, on account of being so close to the magnetic pole, but he goes on to say that this has been overcome.

But this difficulty has since been almost magically removed by the perfection of the gyro-compass. A ship equipped with one of these can dispense with the old-fashioned magnetic instrument entirely and steer across Hudson's bay as readily as across the Atlantic ocean.

In addition to this we have a gentleman in Montreal who is very much in favour of the route, and I am sure hon. members will be surprised to hear that. I refer to Mr. F. W. Cowie, who is engineer of the Montreal Harbour Commission.

Mr. DUFF: That is the gentleman who laid out the Halifax terminals.

Mr. BANCROFT: He picked out a good harbour, then.

Mr. DUFF: Yes, he did that all right, but he made a mess of it.

Mr. BANCROFT: It was a good harbour before he started.

Mr. DUFF: Yes.

Mr. BANCROFT: He says in this paper read before the Montreal Institute of Engineers:

The writer dares greatly in "risking a fall" with the editor-in-chief of the Gazette, of Montreal, who so fittingly voices, and even leads commercial opinion in the east.

After no superficial study, however, the writer dares the statement, that the Hudson's bay route offers much more than "a gambler's chance of success". He has personally experienced every phase in connection with St. Lawrence river navigation, its failures and its successes.

The late Sir John Kennedy, past president of this institute, in no casual school, taught the writer that while one cannot force the mighty St. Lawrence one may make terms with it. And where in the world such prodigious difficulties, where such successes, as in the making of the artificial harbour at Montreal?

There is only one St. Lawrence, and Canada may thank God for it. It can have no enduring rival, but is it wise and sufficient that it be relied upon alone? Those who know, will accept, that no one may be more, or even equally loyal to the St. Lawrence route, than the writer, who has given his best towards its success, in the last thirty-seven continuous years, and based on mature experience, he is of the opinion that the Hudson's bay route, under accepted limitations, offers a prize, in favour of production, worthy of fuller investigation and a better attempt to demonstrate it.

Further on in his paper he says:

The Hudson's bay route is now over three hundred years old and for over two hundred and fifty years a company of hard-headed merchants, operating for gain, with distinct success; year after year, sent one or more ships to Hudson's bay, and the records of loss are very few.

Then later on he dealt with its relation to the time problem, which I read a few minutes ago, showing that the period during which Hudson bay is open and the straits are known to be navigable is a period that fits in very nicely with the crop movement of western Canada.

The people of western Canada are practically a unit in their demands that this railway be completed. It is not only the hon. members who have the honour of representing western Canada in this House who are demanding it, but I think all three provincial legislatures have passed unanimous resolutions, supported by all parties, demanding the completion of this road. In addition to this the farmers' organizations of the three provinces have endorsed the project and want to see it completed immediately. Furthermore, I think every board of trade in the three prairie provinces has passed resolutions to the same effect. I have no doubt the Prime Minister and the Minister of Railways and Canals have had many resolutions sent to them along this line. These people have some excuse for sending these resolutions to the government because, just prior to the election of 1921, the people of that district made it their business to find out where the leaders of the different parties stood in the matter. The secretary of the Pas Board of

Trade wrote to the Prime Minister and he replied in December, 1920, as follows:

> With respect to the particular project of the Hudson Bay railway, such expression as there has been on behalf of the party was given in parliament at the time the project was inaugurated.

I would interpret that to mean that because the Liberal party had started this project in 1910, they were going to go through with what they started.

In November, 1921, they wrote to the leader of the opposition (Mr. Meighen), and this was his reply regarding the completion of the Hudson Bay railway:

> I have several times stated the policy of the government towards the Hudson Bay railway. I regard its completion as essential, and not only that but am most anxious that the least possible delay be allowed before its completion is finally undertaken.

The hon. member for Marquette (Mr. Crerar) was at that time leading the party to which I belong. They wrote to him also, and these were his views on the matter:

> Expressing my own personal view, I have no hesitation in stating this road should be completed to the bay at the earliest possible moment, and I hold the further belief that eventually it will become one of the great trade routes of the world.

In view of the unanimous demand from western Canada for the completion of this road, in view of the vast expenditures that have been carried on in other parts of the country since this project has been abandoned, and in view of the fact that the Prime Minister practically pledged himself to it before the last election and that the Minister of Railways and Canals turned the first sod and has been a strong supporter of the project, we should have this resolution accepted tonight and the work gone on with as speedily as possible.

Mr. J. J. HUGHES (Kings, P.E.I.): Mr. Speaker, I wish to assure my hon. friends from western Canada that I have not the slightest antipathy or ill will towards that part of the country or to the hon. gentlemen who come from there. If there is anything practicable that this country can do that will benefit the western provinces, they are entitled to consideration along that line. They have their difficulties, many of them. We have our difficulties also, and we can sympathize with them. If I thought this project was feasible or practicable, I certainly would be pleased to support it. But viewing it as I do and considering it to be, commercially speaking, impracticable, having regard to my duty as a member of this House, I shall have to vote against it. I will give my reasons for doing so. Captain Read's name was mentioned this afternoon by the hon. member for Brome (Mr. McMaster), and I do not know that I would have mentioned his name if it were not for that fact. Captain Read is, I think, the most experienced man in ice navigation in the Dominion of Canada at the present time. He has certainly no ill will towards the western provinces. He is not influenced by any unworthy considerations whatever. He has been in Hudson bay and Hudson strait for two years and, I think, three, placing aids to navigation in those waters. He was a ship owner and he is a master mariner. He sailed the seas with his father who was also a ship owner and a master mariner. During the war he took at least two ice-breaking ships through the White sea to Archangel and delivered them faithfully. He has been for years operating an ice-breaking steamer in the strait of Northumberland. He knows all about winter navigation in the strait of Northumberland and the gulf of St. Lawrence. Therefore, I think his views are entitled to some consideration and he has given his views, stating his reasons for them. In the ship's log he gives the dates and actual conditions that he found in those waters during the time he was there, and anybody reading those records will come to the conclusion that the proposition is an impracticable one.

I listened this afternoon to the hon. member for Springfield (Mr. Hoey), who always makes a nice address and is careful of his words. He is a responsible man; anything he says is worthy of consideration; but while commending this project, he actually condemned it. I think he said there were two vessels, there were some vessels at all events, that had been beached some years ago in or near the harbour at Port Nelson and that they were still intact. They had not been broken up by the action of the sea, the waves and the wind. Why? He gave the answer himself, that the sea broke some fifteen or twenty miles—he did not say this—off the mouth of the Nelson river. The force of the waves was broken on the sand bars before they could reach the harbour at the mouth of the river. Any man who knows anything about navigation will say that that condemns Port Nelson as a harbour.

Mr. BANCROFT: Has the hon. member read engineer McLachlan's report given before the committee stating that there was a permanent channel there in which sand bars never formed?

Mr. HUGHES: I will come to that. There is nothing that a master mariner or mariner so much dreads as approaching a low coast where sand bars reach a considerable distance out into the sea.

Mr. BANCROFT: They get into St. John harbour pretty well.

Mr. HUGHES: My hon. friend is quite mistaken. It is the tide he is speaking about and that is quite a different thing.

Mr. BANCROFT: It is a tidal harbour and there are mud flats.

Mr. HUGHES: It is a tidal harbour, but there are no sand bars there. I will tell my hon. friend where there is a sand bar. There is a sand bar about three-quarters of a mile wide at the mouth of the Mersey river leading to Liverpool. I have the distance in yards and I think it is about 1,200 yards. I have this from men who have sailed in and out of Liverpool for years, and it can be verified. They say that it requires three of the most powerful sand-suction dredges in the British Empire to keep that channel open, and they are working twenty-four hours a day, 365 days in the year.

Mr. BANCROFT: Does the hon. member think that they made a mistake in developing that port?

Mr. HUGHES: My gracious, what a foolish question! If the hon. member will have patience I am sure he will see the point of my argument. There are other dredges kept in reserve which can be brought into service if one of these regular dredges becomes disabled or is being repaired. The immense shipping on that river passing in and out of Liverpool, and the tremendous tonnage involved, is justification for this enormous expenditure. Now, the sand formation at the mouth of the Nelson river, between the river and the sea, is very similar to the formation at the mouth of the Mersey.

Mr. CAMPBELL: Is this crossing the channel or outside the channel?

Mr. HUGHES: Wait a moment and you will see. The channel shifts.

An hon. MEMBER: No.

Mr. HUGHES: Well, so it is stated by navigators who have been in those waters.

Mr. CAMPBELL: I can show the hon. gentleman a couple of charts prepared by different engineers which might convince him that he is wrong.

Mr. HUGHES: The formation at the mouth of the Nelson is similar to the formation at the mouth of the Mersey. There is a little more clay and there are more pebbles in the sand at the mouth of the Nelson, and that is an advantage; but at the same time it is a sand formation, and wherever there are sand bars out in the open sea the channel shifts. That is the case in every part of the known world. Now, that is the situation. If it takes three dredges working twenty-four hours a day and 365 days in the year to keep open the channel leading into the Mersey, a width of three-quarters of a mile, how many dredges would it take to keep the channel clear at the mouth of the Nelson river?

The Hudson Bay railway and navigation of Hudson strait and Hudson bay are different things, although they are linked up with each other. At least in some respects they may be considered separately. About a year ago, I think, a delegation came here from Manitoba, possibly from Winnipeg; and I was anxious, as I have been anxious for years, to get all the information I could upon this question. The delegation desired to meet the members of parliament in the Railway committee room and I made it a point to be present because I expected some information from the men who came from that part of the country and who had studied the question. But I was sadly disappointed.

Mr. CAMPBELL: The delegation assumed that the government had all the information.

Mr. HUGHES: I do not know that any delegation comes here that is not prepared to give to the government and to parliament all the information it can.

Mr. CAMPBELL: Surely the government had the information before it ventured on the project.

Mr. HUGHES: For that matter, I have a good deal of information on the subject and I presume there are other members who have more than I have. And my information is in accordance with what I am stating tonight. I attended that meeting with an open mind, for I wanted to hear everything I could on the subject. But as I say, I was disappointed. Some members of the delegation quoted poetry, and all spoke eloquently; but without reflecting on any of those gentlemen, I do not think they submitted an argument. Premier Bracken, I must say, seemed to realize that it would be advisable at least to present some argument; and he did. In the course of his remarks I put this question: "If the navigation of Hudson strait and Hudson bay were shown to be impracticable from a commercial standpoint, would you still advocate the completion of the Hudson Bay railway to Port Nelson?" He hesitated; but although I cannot give his answer in his own words I think I can give the substance

of it without doing him any injustice. He finally stated that if it could be shown, although he did not think it could be shown, that the navigation of Hudson strait and Hudson bay was impracticable from a commercial standpoint he would hesitate, for the time being at least, to recommend the extension of the railway.

Mr. CAMPBELL: And that is the attitude of every hon. gentleman in this section of the House.

Mr. HUGHES: I am glad to hear that. But I think I shall be able to show my hon. friend that the navigation of Hudson strait and Hudson bay is impracticable and I shall quote authorities who are not prejudiced, the men whose business it was to look into this question, having been sent into these waters for the express purpose. I shall quote from the log of the Neptune, and in the first place I want to point out what kind of ship the Neptune was:

> The Neptune, the largest and most powerful ship of the Newfoundland sealing fleet, was chartered as the most suitable vessel for the cruiser work. The Neptune is a stout wooden ship, built entirely of British oak, sheathed with "iron-bark" and greenheart. Although built in 1873, she is quite sound throughout, and of amazing strength. Her sides are formed of an outer sheathing of four inches of greenheart, on top of four inches of oak, covering heavy oak timbers, with an inside lining of three inches; the space between the inner and outer skins and the timbers is solidly filled with rock-salt, so that the sides of the ship are practically eighteen inches thick in all parts where a contact with the ice is expected. The bow is further reinforced by a heavy sheathing of iron plates, and inside it is backed with deadwood, giving it a thickness of eight feet.

Surely that ship could withstand great pressure from the ice; she was well fitted to test the navigation of these waters. Now, we all know that the Hudson's Bay Company's vessels navigated these waters, if not for two hundred years, at any rate for a very great period of time. But let us remember that these were sailing ships, stout wooden vessels, converted frigates; and time was of no great consequence to them. If they made one or two voyages in the year, indeed if they made one, they did well; they would bring a cargo of supplies and take home a cargo of furs. The drift of the ice in Hudson strait is eastward, and if these ships were going home late in the season and they got into the ice they could afford to wait and let the ice take them into the Atlantic ocean. That is an entirely different proposition from the operation of steel ships, tramp vessels, carrying grain and cattle through these waters. As has been mentioned by the hon. member for Brome (Mr. McMaster), the cattle would have to arrive in

reasonable time, and the ships that would engage in this trade would necessarily have to make regular sailings. Time therefore would be of importance to them. I will come to that later. But I wanted to make this reference to the ships of the Hudson's Bay Company that navigated these waters. Conditions to-day are absolutely different. Now we will continue with the cruise of the Neptune. The hon. member for Brome (Mr. McMaster) stated that under the most favourable conditions three months in the year would be the outside limit during which these waters could be navigated. I think he was very optimistic, in fact according to the log of this ship he was incorrect even in giving that limited period, although hon. members opposite say that navigation could be successfully carried on for a much longer time. I might say that neither Hudson bay nor Hudson straits ever freeze over; I agree at once wth hon. gentlemen opposite who have made that statement. But the waters are full of floating ice every month of the year; and it is heavy northern ice, different altogether from the ice that is found in the gulf of St. Lawrence, the Northumberland straits or the river St. Lawrence. Here is what the log of the Neptune says in regard to Hudson bay, on September 13, the best month in the year for navigating these waters,—

Mr. FORKE: What year?

Mr. HUGHES: In 1903 and 1904. This was in 1903; he was going in:

> Squalls of snow delayed us until the afternoon of September 13, when we steamed westward along the north side of Digges islands. A bear was seen climbing over the cliffs and a boat was lowered in chase, but animal escaped. In the evening, the course was changed to northward, up Fox channel. At daylight the next morning ice was met with some ten miles from Leyson point. Steaming slowly through it, Seahorse point, on Southampton island, was reached at noon, and a landing was made with the launch.

There was ice there; that is the western end of Hudson straits.

Mr. KNOX: If my hon. friend will pardon me, this point was discussed last session, and it was then pointed out that Southampton island is not on the course to Hudson bay, it lies to the north.

Mr. HUGHES: I know where it lies.

Mr. KNOX: She was not coming into Nelson if she was going by Southampton island to the north.

Mr. HUGHES: We will go on.

> On October 10 a heavy gale blew from the westward, accompanied by frequent, thick snow squalls.

The anchor was raised at daylight on the morning following, when, keeping well to the southward of the shoals beyond the mouth of the inlet, we arrived safely at Fullerton at dusk that evening.

He wintered in Fullerton harbour and came out next summer, 1904. He says:

The anchor was hoisted and the moorings to the ice cast off at two o'clock on the morning of July 18, when the Neptune proceeded to break her way out of Fullerton harbour, after having been nine months there fast frozen in the ice.

Mr. CAMPBELL: Was he going in to Port Nelson, or going further north?

Mr. HUGHES: He was examining these waters to ascertain whether navigation was commercially practicable.

Mr. CAMPBELL: If he was going further north he could not have been making for Port Nelson.

Mr. HUGHES: Is my hon. friend acquainted with the geography of that part of the country? If he is, he will know where Port Fullerton is situated; if not, I will tell him. Port Fullerton is on the northwest side of Hudson bay.

Mr. CAMPBELL: But the point is—

Mr. HUGHES: If my hon. friend will have a little patience.

Mr. CAMPBELL: I do not wish to interrupt my hon. friend, but the Neptune could not have been in the track of vessels going to Port Nelson.

Mr. HUGHES: Going to Port Nelson vessels must pass through Hudson strait. Is that established?

Mr. CAMPBELL: Yes.

Mr. HUGHES: Very well.

Mr. WARD: But not up Fox channel.

Mr. HUGHES: Now, they came out of Fullerton harbour and they were in Hudson bay:

Beyond cape Prefontaine the ice became more plentiful—

They were steaming south now.

—and many large pans were met with. The ice had the appearance of being lately broken up, and owing to its smooth unrafted condition we judged it came from Fisher strait, rather than from Fox channel to the northward. During the night this ice forced the ship southward into the channel between Coats—

You know where that is.

—and Mansfield, so that the western shore of the latter was reached some twenty-five miles to the south of its northern end.

Open leads in the ice were found—

You get open leads in the ice.

—from three to five miles from that island, and no difficulty was experienced in gaining its north end. This island of limestone is somewhat higher than Coats and Southampton, rising inland in low broad terraces to an elevation of upwards of a hundred feet. Small patches of snow were seen under banks and along the faces of the terraces, but elsewhere the green colour showed that considerable vegetation covered the greater part of its surface. Similar lanes of water, between large cakes of ice, afforded an easy passage from Mansfield to Digges islands.

Digges island is at the entrance to Hudson strait. Now, this is on July 21:

A great amount of ice was seen to the southward, apparently completely filling the channel between Mansfield and the mainland.

Mr. BIRD: What kind of ice was it?

Mr. HUGHES: Hard, northern ice.

To the northward some open water occurred, but the patches became smaller and smaller as Digges was approached, and finally ceased to the eastward of these islands, the southern part of the western end of Hudson strait being completely filled with ice.

The southern part of the western end of Hudson strait being completely filled with ice on July 21, 1904.

Mr. LEWIS: Was the evidence which the hon. member is reading in the possession of the government between 1908 and 1910?

Mr. HUGHES: What in the world has that to do with the navigation of the straits?

Mr. LEWIS: If they were in possession of the evidence at that time why did they spend $14,000,000 and promise to complete the project?

Mr. HUGHES: I am not apoligizing for the government of either party; I am quoting evidence which in my opinion proves that this project is commercially impracticable.

Mr. MORRISON: Why didn't they give this evidence at the proper time and so prevent this huge blunder? You were a member of the House at the time the alleged mistake was made. Do you not think you are a little bit late now?

Mr. HUGHES: Will my hon. friend ask somebody else?

Mr. SPEAKER: Order. Members in addressing the House must speak through the Chair.

Mr. HUGHES: I am reminded by my hon. friend here—

Mr. CAMPBELL: Mr. Speaker, might I be permitted another question? I do not want to unduly interrupt the hon. member, but I should like to know whether the ice he refers to completely blocked the straits.

He says it was over on one side. Did it necessarily interfere with the passage to the west of the straits?

Mr. HUGHES: My hon. friend could not have been paying attention to me when I was reading this log. I am reminded by my hon. friend here (Mr. Duff) that even if a blunder was made—and I admit that—that would be no good reason why we should continue spending money in making the blunder still greater. I put that to my hon. friends opposite. I am sure they will not say that it is a good reason. I will read the sentence again:

To the northward some open water occurred, but the patches became smaller and smaller as Digges was approached, and finally ceased to the eastward of these islands, the southern part of the western end—

Now, that is the direct course for ships going into Port Nelson or coming out.

—the southern part of the western end of Hudson strait being completely filled with ice.

A strong southerly wind had been blowing all day, and it was hoped it had loosened the ice along the southern shore of the strait. The ship was taken under the land, but without success, so that after butting through the slowly closing ice all night, we were finally tightly beset in the early morning, about three miles from the eastern Digges island.

The 21st was foggy, with snow flurries in the morning and showers in the afternoon; the ice remained tight about the ship all day, and she drifted eastward with the ice, passing Cape Wolstenholme, and in the evening being about five miles to the east of Erik cove. At that time considerable open water could be seen about five miles from the ship to the eastward, with a few narrow lanes in the rear, and other small openings to the northward, where the dark sky showed considerable open water beyond our view. Persistent ramming—

Listen to this:

Persistent ramming forced the ship through about five miles of ice on the morning of the 22nd, when she was again tightly beset until the evening, at that time being about twenty-five miles to the eastward of Cape Wolstenholme, this distance having been made by the drift of the ice.

Those who are acquainted with ice navigation know that ramming ice is very trying work for a ship. Indeed, a ship must be of more than ordinary construction in order to do it at all. The ship has to back off from the ice, put on a full head of steam and ram the ice in order to make an impression upon it. No ordinary ship could think of doing that; no ship that was not specially and powerfully constructed could think of doing it. And yet these were the conditions under which this vessel tried to get through on the 22nd of July. Now, here are the conditions on September 8:

The weather throughout the morning had been bad, a strong northwest breeze bringing down frequent heavy blinding showers of snow. These showers became almost continuous, and towards noon only momentary glimpses of the land were to be obtained at long intervals. The tides here are very swift, and when the sky cleared a strong ice-glint was to be seen ahead. It was considered dangerous to attempt to enter the ice in such weather, with the unknown Mill islands directly in the course; we therefore turned back to pass south of Nottingham island. This decision proved wise, for next day the whole mouth of Fox channel was found completely filled with heavy ice drifted south from the northern parts of that channel. The condition of the Neptune's stem did not warrant any contact with the ice that could possibly be avoided.

The ship had been injured in the meantime, due to the efforts that were being made to get through the ice. I quote further:

On the 13th, having rounded Salisbury and Nottingham during the night, ice was met with at nine in the morning, twenty-five miles to the westward of the last-mentioned island. The course was changed to south of west to skirt the edge of this great pack, and as it continued unbroken to the westward, the idea of passing through Fisher strait was abandoned, and the course was laid to the southward of Coats island. The passage was encumbered by ice until dark, when the ship lay-to awaiting daylight.

Could ordinary ships navigate in these waters under those conditions? I have only to ask the question. I quote further:

The homeward voyage from Fullerton to Port Burwell was made in fine weather and the only incident requiring mention—

Sometimes you can get in and out, and sometimes you cannot.

—was that the ice from Fox channel had advanced southward and westward nearly twenty miles since we last saw it. This necessitated our keeping close to Mansfield island.

And so on. I need not read any more. It should be unnecessary to submit any further evidence.

Mr. BIRD: Would my hon. friend mind reading the paragraph on page 39?

Mr. HUGHES: Yes, I will read any part of it. This is from page 39:

The following summary of the condition and extent of the ice met with on the passage from Fullerton to Port Burwell may prove of interest and value. The northwestern part of Hudson bay was quite free of ice, and none to obstruct navigation was found in Fisher and Evans straits. Large quantities of ice were encountered between the mouth of Evans strait and Digges at the western end of Hudson strait, but without serious trouble safe passages were found through it, and there is no doubt that an ordinary unprotected iron steamship would have passed through it at that time without trouble or danger.

No ordinary iron ship would have passed through on the other occasion to which I referred; in fact, there was great difficulty in making progress at all. I quote further from the same paragraph:

This ice was evidently the product of the past winter, consisting chiefly, as has been mentioned, of large flat sheets that had only a short time previously broke in from the original position, for there were no signs that it had been subjected to pressure or to the action of a swell

There is the difference: it was ice that had come off the shoals—ice that has not been rafted or packed.

An hon. MEMBER: Last year's ice.

Mr. HUGHES: Last year's ice. I quote further:

> The edges of these large cakes had not been crushed, and many soft thin spots were seen which would disappear with the slightest pressure or swell. Along with the predominating flat ice was a considerable amount of rafted ice of the same character, and also of portions apparently subjected to pressure during the past winter. All the ice was comparatively light and thin, which led to the belief that it had come out of Fisher strait, and from the southward up the channel between Mansfield and the eastern mainland, the meeting of these streams producing the blockade at the western end of Hudson strait. Owing to its thinness and rotten character, the greater part of this ice would melt a few days after we passed it.

Now, there are the conditions. A ship might get in; a ship might get out.

Mr. HUDSON: Was this a report made to the government of that day?

Mr. HUGHES: Yes—this is the log of the ship.

Mr. HUDSON: Was it a report made to the government of the day for the purpose of enabling them to decide whether or not this railway project should be proceeded with?

Mr. HUGHES: Very probably. Surely these men made reports to the government when they came back. They did not report it to me, but I should be surprised if they did not report officially to the government. Now, under these conditions, under conditions which have been described by a man who was qualified to judge, I ask again, is there any man who can honestly say that it would be wise to spend money on an experiment of this kind?

Mr. GOULD: Since the hon. member asks the question, I would call his attention to the fact that the Prime Minister (Mr. Mackenzie King) did say so last fall in western Canada.

Mr. HUGHES: Well, I am very much surprised. Now, if we were fifty millions of people; if the other parts of Canada were all settled and had all the railway accommodation they needed; if the population was overflowing into that part of the country at Hudson bay, it might be a reasonable thing to take up this proposal and extend this line to Hudson bay. Perhaps minerals might be found there; some parts of it may be useful for agriculture. I understand that pulpwood suitable for paper making purposes may be found along these rivers. Perhaps in time these northern districts may be opened up, and it may be advisable, necessary and proper to build railways into them. But under the present circumstances, in view of existing conditions, with our finances standing as they do at present, and settled parts of the country requiring railway accommodation, would reasonable men undertake such a proposition? I do not think so. Will it do our western friends any good to get money expended on a project that is not practicable? No, it will injure them because if the whole country is injured they must necessarily bear their share of the burden. That is the way it looks to me. I cannot see anything in this project particularly at the present time. It would be proper if anything could possibly be done to meet the views of our western friends, but I think they should be disabused of the mistaken notions that they entertain in this regard at the present time. They are intelligent men, they have given evidence, I believe, of their honesty of purpose, and of their desire to do what is right, not only for their own district but for the country as a whole. Therefore I am loath to doubt their sincerity in this matter, but I repeat the statement which was made by the hon. member for Brome (Mr. McMaster) this afternoon—I think this question has been a political question rather than a commercial question in the past and I hope that my hon. friends from the west will not make a political question of it now.

Mr. WARD: Would my hon. friend object to the project if the western people undertook to carry it through to a successful conclusion, and the other portions of Canada were in no wise taxed in connection with it?

Mr. HUGHES: Is anybody holding the western people back from going on with this undertaking? I would think it was the worst kind of tyranny and coercion to prevent the western provinces from not only building this railway but constructing the terminals at Port Nelson and the ships needed to carry on the service.

Mr. CAMPBELL: Is my hon. friend aware that the money has been provided already?

Mr. HUGHES: If it has, is it in the treasury of Canada?

Mr. CAMPBELL: A considerable portion of it.

Mr. HUGHES: I was forgetting to answer the question of an hon. member who asked me if I had read Mr. McLachlan's report. I have read the most of it, I think, and if I remember correctly he said that it was almost

impossible to construct a harbour at Port Nelson, at all events extremely difficult. But difficult as that may be it is not so difficult as the navigation of Hudson straits, and it is not so difficult as keeping a channel open through the roadstead which the hon. member for Springfield (Mr. Hoey) referred to—not so difficult as keeping open a channel sufficiently deep to enable ocean going ships to arrive at Port Nelson.

Mr. KNOX: Does the hon. member think that both the old parties went into this project blindly without making an investigation?

Mr. HUGHES: What is the use of asking me a question of that kind?

Mr. KNOX: I should like to have my hon. friend's opinion on it.

Mr. HUGHES: My hon. friend himself is as capable of offering an opinion on it as I am. But if, with the information that we have, we know the project to be impracticable what must we think of the party advocating it? In speaking on this question last year I offered a suggestion. I do not know whether it is practicable or not, but it almost meets the views of my hon. friend (Mr. Ward) who asked if I would be opposed to the building of this railway and the construction of terminals at Port Nelson if the people of western Canada would provide the money. I replied to the hon. member at the time, certainly not. But so far as I have spoken to authorities on this subject they have declared that there is a natural harbour—a very good harbour, although not very large—in Hudson bay with deep water right up into the port itself, which requires no dredging. To enlarge that harbour would require dredging but as it stands no dredging is necessary—I refer to Fort Churchill. All the captains and commanders who have been up in that part of the country, to whom I have spoken, have stated that if this project is undertaken at all Fort Churchill should be the terminus. However I am not an authority on this question, and I give the statement to show that these men are not entirely opposed to the project. If it were at all practicable just imagine what a benefit it would be to our country. Just imagine what a benefit it would be if the central part of Canada could be brought as near to Liverpool as Montreal now is. It would give our country depth as well as length. We could hardly visualize the advantages which would result to Canada from it; no thoughtful person, no intelligent man, would be opposed to it—everybody would support the proposition.

[Mr. Hughes.]

Mr. FORKE: You always say "if it were practicable." What would you be prepared to do under the present circumstances—just go on in this way saying it would be a fine thing if it were practicable?

Mr. HUGHES: I have read reports on the project and they nearly all agree. The opinions of ship captains that I have obtained —three men at least and very independent in their views—also agree.

Mr. FORKE: You have seen the charts I suppose?

Mr. DUFF: The charts do not show the ice.

Mr. FORKE: Has my hon. friend seen the charts? They have in the department charts prepared by the different ships that have made the trip, and the time they have taken and the points where they encountered ice are noted. I suppose my hon. friend has studied all these charts?

Mr. HUGHES: No I have not, but I have carefully digested what I have read.

Mr. FORKE: I think my hon. friend ought to study those charts before he attempts to speak in such an authoritative way.

Mr. HUGHES: I must tell my hon. friend that while I do not profess to know very much about the science of navigation I know a little, and I must inform him that the charts do not show the ice at all.

Mr. FORKE: I think the hon. member has probably misunderstood me. These charts showing the journey through the straits are marked in red lines. They disclose how many miles the ship made each day, where it saw ice, and how long it was delayed. They are quite intelligible; it does not require any seamanship to comprehend those charts when you see them.

Mr. HUGHES: Now, I wish to follow up the idea alluded to by my hon. friend (Mr. Ward), and I have a suggestion to offer which may prove a solution of the problem. Hon. gentlemen from western Canada are enthusiastic on this matter, and they feel very strongly about it, there is no question about that. They think it is quite practicable, in fact I go so far as to say they feel sure that it is. Now, there is a good deal of money in the States in the hands of people who are anxious to invest it in any paying enterprise. I would also infer from the remarks of my hon. friend (Mr. Campbell) that there is some money in western Canada, perhaps a considerable amount, that could be invested in this enterprise.

I would make this proposal: That the government invite tenders from shipping companies, people who might be in a position to tender, offering all the railway north of the Pas, all the work that is done at Port Nelson free, asking them what bonus they would take to finish the railway, build the elevators, complete the terminals, construct the ships and carry grain and cattle to Europe. Ask them what subsidy they would take per bushel of grain or per head of cattle delivered in Europe, offer to continue the contract for fifty years and thus find out what offers they would get from people in western Canada, from the shipping interests of the world, and from persons who are willing to invest their money in such an enterprise.

Mr. CAMPBELL: A grain company has offered I understand to build a terminal elevator just as soon as the railway is completed.

Mr. HUGHES: If that company are not financially strong enough to carry out the whole enterprise, perhaps they could induce other people to associate with them and carry out the undertaking including the building of the elevator. Then the government could get an idea from the tenders they would receive, if they did receive any, what the shipping men of Great Britain, of the United States and of Germany thought of it. I heard the statement—perhaps I read it in a newspaper—that if we did not hurry and construct the railway and carry out the project the Germans would do it. Well, I would "let George do it".

Mr. GRAHAM: That is what they want.

Mr. HUGHES: We suffered so much from the Germans in the late war that I would not object to letting them try this project, and they might find it more difficult than carrying on a war in Europe. However, I place this proposition before the western men. I observe the hon. member for Springfield (Mr. Hoey) shakes his head. He does not think much of it.

Mr. McCONICA: Has the hon. member any specific authority to make that offer?

Mr. HUGHES: I think I explained that I was merely throwing out the suggestion, and of course I am not in a position to go any further. It might be a test—I do not know whether it would or not—as to what the shipping interests of the world thought of the scheme.

These are my reasons, Mr. Speaker, for considering that it would be unwise at the present time for the government to spend any more money on this scheme. We cannot afford it and in my opinion it would be no benefit to the east, west, middle or any other part of Canada. It would simply be throwing away more money after the large amount which has been spent already. I will therefore have to vote against the resolution.

Mr. JOHN EVANS (Saskatoon): In common with my hon. friend from Kings P.E.I., (Mr. Hughes) I do not pose as an authority on this question, but I think some of my arguments will be quite as logicial as the contentions which the hon. member has presented. In fact my hon. friend made one statement which is completely at variance with the opinions of some of the engineers who have studied this question. One of the Tyrrell brothers lived on both sides of the straits for some years. The member for Kings, P.E.I. said the ice always travelled eastward. One of the Tyrrell brothers says the two currents are maintained continuously through the straits, one going out and the other coming in, and all navigators, for the last 200 years have known that; therefore they take one going out and the other coming in, whether they have ice or not, and they are sure to keep going.

But of all the mistakes we have made regarding the trade and commerce of this country, I think there is none more glaringly outstanding than our policy in regard to a provision for the moving of our products to the markets of the world. In the construction of the three transcontinental railways which we have built, we should have turned our attention earlier to the proposition of finding a port as near as possible to the district where our products are grown. The Hudson Bay ports present a solution of our transportation problem, but now that we have the three transcontinental railways built it is not reasonable that agriculture in western Canada should be hampered by the great deficit on our National Railways and to keep the other railways solvent all these years. This project has been advocated by politicians ever since confederation. Leading statesmen such as Sir Wilfrid Laurier and Sir John A Macdonald advocated it many years ago; in fact, many of our politicians of late years have expressed themselves in favour of the proposal being proceeded with as a national undertaking. In a discussion of the bill of 1908, in which the Hon. Frank Oliver sought to provide for the cost of the undertaking by the sale of pre-emptions in the arid portions of the province. Sir Robert Borden, leader of the opposition at that time, declared himself in the following manner:

If not an acre of this land is sold in the next ten years I trust and am led to believe that the Hudson Bay railway project will go on in the meantime and without delay.

I take that from the Winnipeg Free Press of January 13, 1923. Surely it cannot be forgotten by those who so vigorously opposed the completion of this road, that the cost of the whole undertaking has been provided for out of the sale of pre-emptions in that part of Canada most interested in the project. This seems to have been lost sight of by all those great champions of economy in eastern Canada. Seemingly they would prefer that all of the work and materials already used should be abandoned in the future, than that the trifling sum needed to lay the steel on the remaining portion of the grade which is completed should be spent. The Dominion Lands Act was amended by parliament at the instance of Hon. Frank Oliver in 1908, with the consent of parliament, to provide that the cost of the undertaking should be defrayed from the proceeds gained by pre-empted and purchased homesteads in the central portions of the three prairie provinces. Mr. Oliver made it plain that his purpose was to create a new source of revenue which while not adding to existing taxation burdens or constituting any additional drain on the treasury would defray the expenses of the new government railway undertaking, and at the same time encourage at a moderate cost to the settlers the settlement of these areas in the three prairie provinces, and some 28,000,000 acres in these areas were set aside for this purpose. The fact remains that these lands in the portion of Canada most interested have been sold for this purpose. It may be argued that these lands belonged to the Dominion. They did not. The lands disposed of for this purpose belonged to those provinces. If the Dominion had anything to do with them, they were simply held in trust by the Dominion, and in this case the injustice becomes all the greater.

Under the circumstances, I cannot look on it in any other light than as an act of usurpation on the part of the Dominion government. Here again, the absurdity of our present system and the danger to confederation are plainly seen. Quebec and Ontario do not want to see the Hudson Bay railway completed, and as long as these two provinces dominate the House of Commons and the Senate, they deem it safe to override the rights of the people in other parts of the country. But even admitting that no breach of the constitution has been committed, the injustice to that part of Canada which furnishes by its industry, 60 to 70 per cent of the national income yearly, becomes an outstanding and glaring exhibition of selfishness on the part of the eastern portion of the Dominion.

Under the Land Act of 1882, it was provided that a grant of land of 6,800 acres per mile would be given to any private company that would build the Hudson Bay railway to the Saskatchewan river. From there on to Churchill or Nelson a grant of 12,800 acres per mile was offered. The act of 1908 regarding the sale of pre-emptions relieved the country of the provisions of the act of 1882. It is an accepted principle in both private and public business that if you do not pay anything, you do not say anything. Yet eastern Canada, without a dollar invested in the Hudson Bay railway is making all the protest against its construction. The settlers have purchased these pre-emptions, and the whole of the population in that area were encouraged to stay and build up the country on the assurance of the construction of that road. Any individual who buys land and pays cash therefor, if he fails to get delivery, has recourse to the courts. I ask: Has the west any recourse in this matter? I wish to say right here that those three provinces do not intend to remain as a vassal state to eastern Canada or to continue in political servitude forever. The government of Canada have already sold $26,000,000 worth of these lands. They have received nearly $20,000,000 in cash and the balance will eventually be paid to the Dominion treasury. Surely, in the face of these facts the government cannot longer ignore the call of the west.

That there is a deficit on the present government railways cannot be used as an argument in refusing a road to the natural outlet of so large a section of this Dominion as the prairie provinces represent. The west expects to bear its full share of the taxes of this country. Unless the government will recognize the right of that part of Canada, serious complications are bound to ensue.

To me the argument of the Minister of Agriculture (Mr. Motherwell) has every appearance of being dictated by the interests of Montreal and other eastern cities. In fact, the whole Hudson Bay railway project is no longer a question of its feasibility, as regards either the navigability of Hudson strait or the revenue producing possibilities of the road itself to the bay, supposing that the strait is open only for a very short period. The project since 1918 has become a part of the great injustice practised on other parts of Canada by this tariff-fed, artificially created, industrial area between Montreal and Windsor. I would like to ask: Does the Minister of

Agriculture or any of the directors of industry or finance—and I will include politics as well —of eastern Canada believe that the people of Manitoba, Saskatchewan and Alberta can be so gullible as to accept the statement that the whole project is now to be held up because someone says that in his opinion, Churchill would make the best outlet? If that engineer, McLachlan, is sure now that Nelson cannot be made a harbour, why did he work for years at Nelson and not tell us so then, but delay his opinion until the demand from the west had become imperative? If the work was stopped in 1918 because Nelson was found to be impracticable as a harbour, why have both Liberal and Conservative governments chosen to lie down under the difficulty without trying to find an outlet in some other place?

If, as the excuse has been given, Canada cannot afford the money necessary to complete the project, why, may I ask, is the Welland canal being proceeded with? That is a project that will entail a cost of, perhaps, $100,000,000 before it is completed. The Minister of Railways and Canals has told us in this House that the Welland canal is being constructed for the sake of the west. If that is so, one-half of the yearly appropriation to the Welland canal would suffice to complete the Hudson Bay railway and terminals, and it would offset the necessity of spending $100,000,000. Surely it would be worth the trial, seeing that the Hudson Bay railway is so near completion. Besides that, let me point out the fallacy of such an argument in the fact that the Welland canal is being constructed on such a scale that it cannot be used to its capacity until another $100,000,000 is spent on locks and canals both east and west of that undertaking. Yet we are told that the country cannot afford to complete the Hudson Bay railway. I repeat: The whole question is one of class privilege. They say in the east too that the bay and strait are not and never will be navigable, and the hon. member for Kings, P.E.I., (Mr. Hughes) has been very brave to-night in throwing out a challenge to us to undertake this scheme ourselves or to invite some other company to construct the road.

Mr. HUGHES: It was the hon. member for Mackenzie (Mr. Campbell) who told me that the west would finance it themselves.

Mr. EVANS: I was just wondering what use the Hudson Bay railway would be to the farmers of western Canada without some control of the Canadian National system as it stands. To that let me reply that if the government will lay the ninety miles of steel needed and will construct wharves sufficient to facilitate the loading and unloading of boats on the Nelson, they can easily test the feasibility of this project by making Port Nelson a free trade port. We could have one free trade port for Canada, and if that were done I think the question would be settled within two years as to whether the straits are navigable or not. This surely will appeal to the hon. member for Kings (Mr. Hughes) and the hon. member for Brome (Mr. McMaster) as well. If the straits are not navigable, then the privileged interests of Montreal and Toronto surely cannot object to making Port Nelson a free trade port. But I am convinced that unless this business is taken in some way out of reach of the directors of politics in eastern Canada the whole project will still be in danger even after the completion of the line and the terminals. Some of my statements may sound rather harsh, but speaking as one who has watched the shuttlecock game of all governments that have been in power since the prairies have been developed agriculturally I wish to serve notice that any party who wishes again to gain the confidence of western Canada and restore the respect in which the politics of any country should be esteemed must now drop any two-faced argument in favour of class privilege and treat western Canada not as a vassal of Ontario and Quebec but as an integral part of the Dominion.

Mr. M. N. CAMPBELL (Mackenzie): I have no intention of making a long address covering the whole ground that has been gone over before in regard to the necessity for completing the Hudson Bay railway or of its feasibility. This latter has been proved years ago. I will rather confine myself to-night to a rebuttal of the arguments that have been advanced by the opponents of the scheme. An hon. member on the Liberal benches referred to railways built in western Canada and he interjected a question in the course of the address of the hon. member for Springfield (Mr. Hoey). The implication of the question was that this government was spending a large amount of money on railway construction in western Canada. That is perhaps true, but not to the extent implied by the question. Last year we voted $27,000,000 for railway construction work in western Canada, and $21,000,000 in eastern Canada; and I think that when we take into consideration the fact that western Canada is relatively undeveloped in comparison with

eastern Canada, the east is getting its full share of railways. And in any case, when we ask ourselves the question why these railways are being built, we must admit that they are certainly no bonus to western Canada inasmuch as we must expect to pay for them. We are assessed to pay for these railways so that they cannot possibly be considered as a bonus to us, as some of the public works and canals built in eastern Canada. The freight that will be handled over these railways must pay the cost. And if we need more railways than we should in western Canada, it is because of past blunders on the part of previous federal governments in surveying enormous areas of land and opening up country that should not have been opened up, at least in this generation. We have sufficient surveyed land in the west to-day to accommodate 50,000,000 people. At the instance, I presume, even of land speculators, great tracts were opened up; a vast area of land was thrown open in the interests of the railway companies and land grafters. Settlers went into these lands, sent there often by the government; and in fact, when land is surveyed, that is practically an invitation to settlers to occupy it. That is the situation in western Canada to-day. But when we come to other expenditures, such as public works, which I might almost be safe in saying are a direct gift to the provinces in which they are constructed, seeing that nothing has to be paid back on account of them, as is the case with the railways, we find that from 1913 to 1923 inclusive there was spent in public works in Ontario and Quebec the sum of $98,916,000; and during the same period the same department spent only some $10,465,000 in the three prairie provinces. When these figures are fairly considered it will be seen what an undue proportion was spent in eastern Canada, while we in the west must pay our share of it.

I was rather pleased this summer when I noticed that the Minister of Agriculture (Mr. Motherwell) had become a convert to the Hudson bay route. I had been somewhat disappointed that session after session we should get no support from the minister, and it was rather pleasing to think that he had come to the support of the project. But when he spoke on the budget some time ago I found that he indirectly opposed the Hudson bay route, so that I was rather premature in congratulating him. The minister uses as an indirect means of opposing it his opposition to the port of Nelson, and he tells us that a terrible blunder was made when Nelson was chosen instead of Fort Churchill. In that connection the Laurier government sent a competent engineer, Mr. R. D. Fryde, to Port Nelson, and another equally competent man, Mr. W. J. Cleaver, to Fort Churchill. When the reports of both were handed in to the Deputy Minister of Railways, Mr. Butler, who was himself an experienced engineer of recognized ability, he decided in favour of Nelson. When the Borden government came into power they somewhat doubted the wisdom of the decision and they made a new investigation; engineers were sent over the ground again, and after the reports were received, Hon. Frank Cochrane also decided in favour of Port Nelson. Going over these reports and summing up the arguments for and against the two ports, I believe that any fair-minded observer must come to the conclusion that after all the decision in favour of Nelson was a wise one. Churchill is often described as a natural harbour, and undoubtedly it is. It is a land-locked harbour, but it is land-locked to this extent, that when the ice breaks up in the spring it is a month or six weeks longer getting out to the ocean than it is in the case of Nelson. As a matter of fact, in the spring when the ice breaks loose in the Nelson river every bit of it is gone long before the ice disappears in Churchill. And Churchill is a very small harbour; at the present time it could not accommodate more than four ocean liners, and it would take a tremendous amount of dredging at an enormous expense to enlarge it. One of the engineers points out that the dredging would be an almost impossible task owing to the fact that there are tremendous boulders that could hardly be handled at all by ordinary machinery. I think therefore that a wise decision was made when Port Nelson was chosen. I conclude therefore that the Minister of Agriculture has not given this matter intelligent study; and in opposing Nelson he is indirectly opposing the whole proposition. Now, Fort Churchill is open only for a very short time during the year. While some claim that Nelson could almost be made a winter port, Mr. Tyrrell, an engineer who did a great deal of work for the government there, points out that with a light ice-breaker ships can go in and out of Port Nelson at any period of the year. Recently I was talking to a partner of J. D. McArthur, the contractor who had a great deal to do with building the railway and the works around Port Nelson. He had spent two years there, and he told me that there never was a time during those two winters when he would dare walk a horse across the channel of the river at the dock, and that an ordinarily heavy vessel would

have very little difficulty at any time in forcing her way through the ice.

Now, the hon. member for Brome (Mr. McMaster) this afternoon raised some arguments about the depth of the channel leading into Port Nelson. I have a chart here, which engineer J. W. Tyrrell very kindly sent me, drawn by himself as the result of a great deal of labour. It shows the depth every few feet from the artificial island out to the mouth of the river. At the dock the water is thirty feet deep, it averages that depth for a considerable distance, in fact that is the minimum depth until we come to what is called the "hump." It appears there is a hardpan ridge just below the dock, and over that ridge there is only twenty feet of water. Immediately after that ridge is crossed, we come into what is called the "deep hole," where ships can ride at anchor in perfect safety in any kind of weather, according to the reports of some of these navigators and engineers. I find that in this portion called the "deep hole," the water is sixty feet deep. After that it becomes shallower until at the mouth of the river the depth is only 26 feet, but beyond it keeps getting deeper and deeper until it runs to 54 feet at the extreme mouth of the river.

I think it was also the hon. member for Brome as well as the hon. member for Kings (Mr. Hughes) who raised the question of silt or mud that would have to be continually dredged to keep the channel open. Anyone looking at the charts drawn by engineer McLachlan and engineer Tyrrell, and reading their reports, will be convinced that this is a pure fallacy. At the beginning there was a great deal of discussion as to how the deposit of mud could be overcome, because the original plan was to build a dock at the edge of the river, between that dock and the channel there would be a mud flat, and the washing of the water would continually fill up the channel with silt. The engineers overcame that by building an artificial island right out to the very edge of the channel. So that objection no longer holds good. Engineer Tyrrell tells me in a letter which I have received from him that the whole channel from the dock to the mouth of the river is hardpan, and he adds that owing to the speed of the current it is absolutely impossible for any silt or sand to be deposited in that channel.

Mr. McMASTER: How wide is that channel?

Mr. CAMPBELL: At the dock it is 3,000 feet, a little more than half a mile, and it keeps broadening out until at the mouth it is several miles wide. He points out that the mean velocity of the river at the dock is eight knots per hour, and when the tide is going out it is ten and a quarter knots per hour, and that with such a speed, combined with the great volume of water, it is absolutely impossible for any silt or sand to become deposited in that channel. Therefore I think we ought to be convinced that the engineers at that time used good judgment in choosing Port Nelson instead of Fort Churchill. In this particular regard I should like to quote from an editorial in the Saskatoon Daily Star. I might point out that this is not a Conservative paper, it is not a Progressive paper, but it is a very consistent supporter of the Liberal party, and particularly of the Minister of Agriculture (Mr. Motherwell). Yet this is what it says in its issue of April 9:

> "Motherwell for Churchill terminus." So reads the most discouraging and irritating headline that has appeared in a western newspaper for many months.

After some further observations the article continues:

> Thus spoke Mr. Motherwell in the House of Commons in April, 1925. The same gentleman told a different story in September, 1924. He was then in Saskatchewan and had just returned from a trip to Port Nelson. Speaking at Prince Albert, he said:
>
> "Twenty millions have been spent on the road, and it would take about $5,000,000 to complete it to Port Nelson. It is the logical thing to go on."

Further on it quotes the minister as saying:

> "It will take over a year to put the road in shape from The Pas to Kettle rapids, a distance of 332 miles. After that we will be ready to tackle the last 92 miles into Port Nelson. The time limit for completion will depend upon how our budget balances during the next session."

Then the article proceeds:

> Not a word about Fort Churchill did Mr. Motherwell utter. His remarks in September, 1924, did not indicate that the place even existed. But in April, 1925, Mr. Motherwell wonders why Port Nelson was ever chosen as the terminus. Fort Churchill is the only logical choice. At any rate, the point is at least doubtful and ought to be cleared up before construction continues.

There are some further observations, not very flattering to the Minister of Agriculture, particularly when coming from a Liberal newspaper, but I will not weary the House by reading them.

Now, Engineer Cowie, who was an employee of the Montreal Harbour Commission, has already been quoted this afternoon. He has been quoted by the press as saying that there was not a single obstacle in the development of the Hudson bay route that had not already been overcome in the St. Lawrence route. That is the word of an engineer of recognized ability living in Montreal. It raised

such a storm in that city that demands were made by some local newspapers for his professional head in a charger. So you can see what an engineer has to contend with in any part of eastern Canada, particularly in the city of Montreal when he dares speak the truth about such projects. I must admit that in the province of Ontario the prejudice is not so strong.

The Prime Minister—I am sorry the right hon. gentleman is not in the House, for I feel rather guilty in making these remarks in his absence—the Prime Minister in his tour of western Canada last summer spoke very hopefully of the Hudson Bay railway. He did not raise any of these objections that his colleagues are raising now. He rather gave the people the impression that he was quite in favour of it. He pointed out that the government intended to build the Hudson Bay railway just so soon as financial conditions would permit, and that when the government brought down its financial programme it took the members of its own party into its inner councils and discussed this and other matters with them. He added: When these things are being discussed where are our Progressive friends? Why, they are secreted off in a room by themselves. He added that the moral was plain, and he wound up by saying, "I ask you to think this matter over between now and the next general election". Now, what was the implication of the Prime Minister's remarks? Was it not a direct invitation to the people of western Canada to support the Liberal party and elect Liberal members, whereupon they would have a chance to secure the Hudson Bay railway? I do not like to use the word bribe, but his invitation to the people of western Canada looks very much like it. I may say to his colleagues that there are a number of hon. gentlemen in this section of the House who would probably like to attend their caucus, and I think some of us here would be glad to see them do so, for the quicker they go there the quicker we here will know where we stand. But perhaps their constituents may have something to say about that.

The hon. member for Kings, P.E.I., (Mr. Hughes)—and I would just like his attention for a moment; I do not want to criticize his remarks when he is not listening—made the statement that the Hudson strait was full of very heavy ice every month in the year. Now I hardly think the hon. gentleman was serious when he said that; perhaps it was a slip of the tongue, because he dealt with the question in a very fair manner. But if, he says, the straits are full of heavy ice every month in the year, a ship could never go in there at all; yet ships are going in and passing through there every season.

Mr. HUGHES: That is the report of the commander of the Neptune. The report will bear that out.

Mr. CAMPBELL: I understood it to be the hon. member's own opinion. If I misunderstood him, I beg his pardon for it. Now, I may say that an engineer, Mr. J. W. Tyrrell, was employed by the Laurier government to go up to the straits and to investigate the situation thoroughly from the standpoint of their navigability. He moored his vessel inside the strait; according to his report, he took up a position in a rocky cavern 400 feet above the level of the sea and he spent the whole winter there. In his report, which is a very comprehensive and illuminating one —and I would commend it to the attention of the hon. member for Kings, P.E.I. and also to the hon. member for Brome because I think the hon. member for Brome made the statement that the straits were not navigable for more than three weeks in the year—

Mr. McMASTER: Three months.

Mr. CAMPBELL: Three weeks, I think, is what the hon. member said.

Mr. McMASTER: No, no, pardon me; I never said anything of the sort. What I did say was that the straits were, on the outside, not navigable for more than three months of the year.

Mr. CAMPBELL: I think the hon. member said three weeks first; probably he qualified it later on.

Mr. McMASTER: I said six weeks to three months. I try to be careful about what I say.

An hon. MEMBER: The member for Lunenburg said three days.

Mr. DUFF: Hear, hear. Quite right, and I can prove it. I will do so before I get through.

Mr. CAMPBELL: This engineer, J. W. Tyrrell, stated that there was no time during the whole winter that the ice was not constantly on the move, and that there were open spaces through which a vessel could pass in all except two months of the year January and February. Again with regard to Nelson, Mr. R. D. Fryde states in his report—I have the quotation here—that with a light ice-breaker Nelson could easily be kept open all winter. So I think it is unnecessary to discuss the question of feasibility or otherwise of the project. The whole question before us is whether

the government intend to build the railway or not. That is the whole question, and I am going to be frank and say I am quite convinced, after being four years in this House, that the government has firmly made up its mind it is not going to build it, but if it can keep the project dangling before the eyes of the people of western Canada for another generation or two and thereby get a few votes, it is going to try to do so. I think the proper and commendable thing for the government to do is to come out plainly, state its position and relieve the Minister of Agriculture (Mr. Motherwell) of some responsibility, and some embarrassment—and say just whether or not it ever intends to build this railway.

10 p.m.

Mr. T. H. McCONICA (Battleford): Mr. Speaker, I have no disposition to delay the House or to prolong this discussion. I wish however, to associate myself with those who have favoured the construction of the Hudson Bay railway. I make no pretence to personal knowledge as to its feasibility, but the people I represent are intensely interested in the building of the Hudson Bay railway. They have been taught to believe that the project is feasible; moreover, they cannot comprehend how the government should have spent $20,000,000 on a thing that is absolutely impracticable during the whole of the year except for three days, as one hon. gentleman, I think, suggested. Now, western Canada, the part of it from which I come at least, will never be satisfied until this road is completed. They will never understand where the business sense of the government is that spends $20,000,000 and then walks off and leaves the whole thing to fall into ruin and decay. It seems to me it would be the practical thing, the reasonable thing, for the government to take some substantial step this year toward the completion of the road.

Mr. THOMAS SALES (Saltcoats): Mr. Speaker, I had no intention of taking any part in this debate until I heard some of the comments made by the hon. member for Kings, P.E.I. (Mr. Hughes). He quoted a report to show that on the 21st of July there was ice—strong, solid, northern ice—and also in September. A year ago last summer I crossed the ocean to the Old Country. It was not through the Hudson bay; it was through the St. Lawrence; we counted thirty-seven big icebergs that we could see with the naked eye—thirty-seven in one day; and I assure you they made the atmosphere pretty cold. I have no doubt that they were big, solid, northern ice.

Mr. BANCROFT: What time of year was that?

Mr. SALES: We sailed from Montreal about the middle of July. So that ice at that time of year is evidently not confined to Hudson bay. A year ago the member for Lunenburg (Mr. Duff)—or was it two years ago?—had a number of photographs that he passed round in this House to show what the conditions were in the Hudson bay. If I had taken all the photographs of snow and ice and frost and all the things that have happened in Saskatchewan during the time I have been farming there, I could prove without doubt that it is not a fit place to live in, much less to grow anything in. We have had seasons when we never started work until the middle of May; hon. gentlemen sitting around me know that.

Mr. DUFF: When did you have the next snow after that? Did you have snow all summer?

Mr. SALES: Every month, in one year.

Mr. DUFF: All the time?

Mr. SALES: I will tell the hon. gentleman as I go along. On the 15th of June, 1915, when the wheat was about a foot high, it was frozen down to the ground, but we had a good crop. I am not like some hon. members in this House who talk of the blackest things they can think about and forget the good ones. We had a really good crop in that year, in spite of the frost. We had a frost in July, and still we had a crop. We had frost in August—that is a common occurrence; and we had snow in September. I have seen good snowstorms in September, time after time—and, as an hon. member reminds me, some of the wheat was standing uncut at the time. We have had our crops frozen time after time. We have had snow in October that did not go away until the following srping. What do all these things prove? Nothing. In spite of them all we can live in Saskatchewan; we can grow big crops in Saskatchewan of the finest stuff ever grown in the world. These things do not prove anything any more than the arguments of the hon. member for Kings, P.E.I., prove about the Hudson bay, in my opinion. If I wore the same kind of spectacles that the hon. member for Kings, P.E.I., wears, so that everything looked blue or black, I could prove that the part of Saskatchewan from which I come is not a fit place to live in.

It is certain that, as the hon. member for Battleford (Mr. McConica) says, this question will not die down with our people until the

road is built to tidewater and a fair trial given to the route. This railway will be built if the people have to build it themselves. I was at the great Farmers' Convention held in my province last January. A number of farmers were discussing this question of the Hudson Bay railway and its completion, and they asked me what I thought about it. I said "Do not fool yourselves. In my opinion it will never be built as long as the east controls the situation." One man said "Do you believe that?" I said, "I do." Then he said, "We will have to do this then. During the war we raised a lot of money for what we called a patriotic acre fund. We each gave one acre of wheat to that fund and we sent forward train loads of flour. Now, what would be the matter with doing the same thing in order to finish the Hudson Bay railroad?" I said, "You will get it built a good deal quicker if you do that than if you wait for the east to build it for you, in my opinion." I pointed out to them that one-half of one per cent—they are used to that being taken as shrinkage when they ship grain through the elevators—on a crop of 300,000,000 bushels at $1 a bushel would give $1,500,000 and at $1.50 a bushel would give $2,500,000, to say nothing of barley, oats, cattle, hogs, butter, and eggs, all of which would be shipped by this route if it proved feasible. I want to say to this House that if our people get hold of an idea like that they will surely bring it to a successful conclusion. May I appeal to our friends in the east. The Prime Minister made an appeal to us the other day to be fair to the rest of Canada. May we not appeal to gentlemen all over the rest of Canada to be fair to the west. Why not go a little further? Having spent so much money, having so much material lying idle at tide water as we hear time and again, having enough rails lying in the sidings to practically finish the road, without spending much more money for material, why not go a little further and reach tide water and prove whether this route is feasible or not? If it is not we will have to forget it. I would also like to say this to the members of the House: The idea is prevalent among many people in the west that if our friends who oppose this road so strenuously were absolutely sure that it would be a failure it would have been built years ago. But they really are afraid it will prove a success. That is why they are so determined to stop the road from reaching tide water so long as they possibly can. Now that idea is being held in the west, and the prevalence of ideas of this kind among the people there does not make for good feeling and unity in a country like this. Therefore I hope hon. members will give this project their serious consideration and support.

[Mr. Sales.]

Hon. W. R. MOTHERWELL (Minister of Agriculture): Mr. Speaker, let me at the very outset say that I am of the opinion that this great national project has gone altogether too far, and the national honour is entirely too much at stake, to even suggest that we repudiate the undertaking at this particular stage. If, when British Columbia entered confederation under a promise to be connected with the rest of Canada by a great transcontinental railway, Canada had repudiated the obligation what would that province have thought of it? At the time the Maritimes entered confederation the promise was made that the Intercolonial railway would be constructed. If Canada had defaulted then what would the Maritimes have thought of that failure on Canada's part to live up to its promise? And so with the present undertaking begun by a Liberal government, and carried out later by a Conservative government, and the leader of every party in Canada pledged to it, is it an enterprise that we should now talk of abandoning when 80 per cent of the road is constructed? It seems to me that would be an amazing proposal?

Now then a word or two, because I have a few more things to say, with respect to one or two members on the Progressive side. I think I am just as strong an advocate of the Hudson Bay railway as they are, and I am just as strong an opponent of Port Nelson as anybody on this side can be. They think such an attitude is contradictory; they cannot conceive of a person having different views regarding the same project without being inspired with the desire of deliberately blocking it. What would my hon. friends have said of the difference of opinion among the authorities at the time of the construction of the Canadian Pacific railway when that line was built?—some being in favour of the Pine river pass and some in favour of the Kicking Horse pass. As a matter of fact it was switched from one to the other after the road was begun. But what would have been said at the time if one side was charged by the other with blocking the enterprise because they differed as to a certain pass through which the line should run? What would have been thought of some of the great leaders in the world war because they differed as to the tactics to be employed in the field if such a view as that prevailed? Why the great generals would have been charging each other with un-

fairness and disloyalty to the common cause. Men who have exactly the same objective but think that a different course should be taken can surely disagree as to the procedure. It is not the way to get results to upbraid each other because one man differs from another as to the procedure to be employed. I think there are only two hon. members on the Progressive side who have adopted such an attitude, and I want to thank all the rest for not following their example. I did not hear what the hon. member for Dauphin (Mr. Ward) said but as he is a decent sort I am going to assume that he did not say what the other two hon. members to whom I have referred did. The hon. member for Mackenzie (Mr. Campbell) and the hon. member for Saskatoon (Mr. Evans) acting true to form, threw out suggestions that my motives were not sincere. Well, I do not know how much I am going to be hurt by that sort of insinuation. At all events I am going to take the risk of any hurt that may come to me and let it go at that. I cannot, however, refrain from remarking that any member who is always suspecting and impugning the motives of others had better be careful that he is not guilty of the very thing he is charging others with.

As to the quotation from the Saskatoon Star it is substantially correct. When I was up in that country last season, that is in 1924, I ventured as far as Kettle rapids but regretted very much, as I explained the other day in the budget debate, that I could not get further. I gave the reason why. That should have been a sufficient explanation. Everywhere I went I heard from the trapper, the miner, the engineer, and they were all amazed at Port Nelson being selected. It set me thinking but not sufficiently to make me change my mind regarding the choice of Nelson. I thought it was natural perversity on the part of some people when the government was giving them a certain thing to want something else—we see that sometimes. I still tried to believe in Nelson because I wanted to believe in that harbour; I knew that we would waste a lot of money if the line was not completed to Nelson; and desiring to believe in Nelson I came back. I may have made a mistake in saying anything. On my return I noticed that the other gentlemen who came back from the bay, the most of them from Manitoba, did not say very much. Still it was difficult to return through the northern part of the province of Saskatchewan without giving some impressions of your trip north, and I gave them. At that stage of the game I had not sufficient information to warrant me in throwing any doubt upon the feasibility of Port Nelson. On returning I came down the St. Lawrence, and upon reaching Ottawa I proceeded to look into the matter further. I gave the evidence which confirmed the opinion I was beginning to form, and nobody has challenged that evidence. Even the hon. gentlemen who have imputed motives to me have nothing to say against it. If that is the case then their case is very weak indeed. The evidence upon which I based my opinion was taken from the records of those who were supposed to know the facts, navigators and mariners such as Captain Bernier and others. I perhaps made the mistake of the medical man who arrived at his diagnosis after only half an examination; then after the second half of the examination found the diagnosis had to be changed.

Mr. KNOX: Does the minister mean to say that the governments who started the work at Nelson and afterwards carried it on there did not have before them the same evidence to which he alludes?

Mr. MOTHERWELL: I do not know what evidence they had; I can only be responsible for my own conclusion. I am old enough in this world to know that the same evidence will cause different people to arrive at absolutely opposite conclusions.

Now let me just state some of the reasons for the opinion at which I have arrived. I do not like reading but nevertheless in a case like this we have to give our authorities. Here is what Captain Anderson said, according to the report of the Senate committee, and there are some other authorities whose opinions I should like to have placed on Hansard. I am going to give them now because I did not give them the other day. I know Captain Anderson very well. I live in the same house with him and have for the last three years. I have had many conversations with him. He says:

> The shores at Port Nelson are all low with a thick growth of small trees. The inner part of the harbour is very shallow from Seal islands to Rock creek, where the port is 3½ miles wide. The bottom is very uneven, with huge boulders that uncover at low water.
>
> Mr. Stewart, also, in his report of March 31, 1911, gives one or two instances where vessels were unable to discharge at Nelson in view of the heavy seas. In one case a vessel for forty-eight hours had to steam full speed ahead with both anchors down with a heavy sea breaking on board. After remaining in the vicinity for ten days the vessel had to proceed to Churchill to discharge her Nelson cargo.

I take the ground, Mr. Speaker, that if we make a mistake and go to the wrong harbour,

it is all off for this generation. We will have difficulty enough in getting to the right harbour without making a blunder and going to the wrong harbour. That is the reason why I want to make quite sure that there is a better harbour than Port Nelson, and I believe there is.

Now I refer to the evidence of Mr. D. W. McLachlan, to be found at page 26 of the report of the Senate committee. We have heard of this gentleman before. It is said that he has changed his views. However, that is permissible. Here is what he says in his report, speaking of Churchill:

> In making the port I would have had a picnic at Churchill as compared with the difficulties which we have had at Nelson from the engineering point of view.

He speaks of it as a picnic. I quote from each authority. This is from Mr. McLachlan, and here is what he says about the dredging:

> The amount of dredging we have done at Nelson is inconsiderable compared with what we have to do. The equipment we had at Nelson was not at all suitable for the work we had to do. For years, even since the war broke out, we have had the greatest possible need for a couple of dipper dredges and the government would not buy them. They said the war is over and we do not want to incur additional expense at present. The result is that we have been fiddling with the matter of dredging and we have not made any real attempt. I say the cost at Nelson would be two and a half times greater than anywhere else for anything done in the way of dredging. We cannot tell what it would cost, and what it has cost is no criterion of what it will cost.

Mr. DUFF: That means it would cost more.

Mr. MOTHERWELL: Yes. Nobody can tell what it will cost. What it has cost in the past is no criterion of what it will cost, because of the shifting nature of the channel. I do not think Mr. McLachlan has changed his views in that regard.

That is as far as I go with Mr. McLachlan. Now we have a Hudson bay explorer and navigator by the name of Freakley. At page 38 he says:

> Nelson is not a natural harbour but an open roadstead.

Hon. gentlemen from the Maritime provinces might tell me what that means. Captain Freakley continues:

> The vessel lies in the river about one and a quarter miles from the shore and the freight is lightered to the land.
>
> One is a natural harbour and the other is artificial.

We have had some experience in building artificial harbours in this country. We have some harbours. Great mistakes have been perpetrated apparently on account of mistaken advice by engineers. I have every respect for engineers, but have more respect for navigators. I refer to that famous pier in Halifax. I do not think there is a finer harbour in the world than Halifax, and yet a great blunder was committed in regard to the construction of a certain pier. We have another such harbour—I almost hesitate to refer to it—the outer harbour at Victoria—just a parallel to the one at Halifax, and all kinds of money thrown away on it. It was done precipitately and in a hurry. Are we going to repeat all this performance in the face of the statements I have quoted?

Mr. KNOX: Does the minister say this has been done in a hurry?

Mr. MOTHERWELL: Yes, so far as Nelson harbour is concerned, as I will show very soon.

Mr. KNOX: This matter has been pending since 1910..

Mr. MOTHERWELL: I refer to the switching through there and the various steps that have been taken. I say if these other illustrations which I have given are bad, this is ten times worse as a harbour proposition. Now what are some of the requisites of a harbour? Hon. members will pardon me if I make some mistakes in this matter, because I have lived inland all my life and have not had an opportunity of scenting the salt sea breezes very much, but from what I have read, I think we should have enough land and enough water to build a harbour. Now have we enough of either? In the case of Nelson we would have to build away out into the water, over half a mile, erect an artificial island for a harbour and put elevators on it. We are asked to build a harbour, with all the other risks involved. We must deliberately take the risk of not having enough land to start with, and certainly not enough water. The water there is shallow and low, and then we have all those sand bars to contend with. Surely it does not take a mariner to understand that you must have abundance of both these essential requisites, water and land, to build a harbour. What does a harbour mean? Does it not mean a sheltered place for ships at anchor? Where is the shelter here? Leave the other requisites out of consideration and where is the shelter? Then there is a shortage of land. We would have to build an artificial island. It could be done; it has been done and it can be done again, if you like to put money into it, but how about the question of water? Shipping is only an indifferent proposition if you have not the water. In addition to the water you require a place to shelter the shipping. Where is the shelter here? Does anybody pretend

there is any natural shelter? Is it a land-locked harbour? Does it resemble Prince Rupert, one of the finest harbours? Is it surrounded by any conditions to make it a land-locked harbour or anything of that kind? I do not see anything on the maps or nobody has shown me anything to indicate that it is a natural harbour. There is nothing there to constitute a shelter any more than the morning mist could be said to provide a shelter. The most important requisite for a harbour is shelter, where ships are anchored, not only to discharge their cargo, but for the purpose of getting out of the storm. I do not know where there is any place to get out of a storm at Nelson. I have been on the prairie nearly all my life, and I think I see myself hunching up against the storm, with nothing to shelter me beyond what they have at Nelson. I would not be comfortable for the night.

Then again, while we are short of land at Nelson, short of water and short of shelter, we are long on dredging. I have given you all these facts; now need I go any further into it? Just think of it, with the Nelson pouring down its waters and sludge for the last century, and it will continue to do so for centuries to come, pouring out water and sludge and meeting the tides from the ocean. There is a place there—shall we call it the dead centre? There is bound to be an enormous quantity of precipitation there. Our own judgment will tell those of us who know anything in particular about the Saskatchewan river that that channel will be shifting, perhaps not every year, but almost every year. In face of that, if you want to make a job for dredges—and anybody who ever saw government dredges at work knows that it takes very little to keep them going sometimes; they go pretty slowly to my mind, at all events—there you have it from now until the crack of doom. I do not see how you are going to get away from that, and yet hon. members upbraid me for mentioning these things. If we make the mistake of not going to this natural port, the project is all off in our life-time. I want to see it while I live and I do not want to take a step that will lead in the wrong direction. We shall have to take risks, but there is no need to take the ghastly risk associated with Port Nelson. If anyone wishes to criticize me, let him criticize me on these facts and not on my alleged motives. I think I have as much right to be credited with being sincere as anyone else in this, and I do not see why this should be otherwise. My whole life has been spent in the west and I expect to spend the balance of it there after I get through here.

Mr. LADNER: What are those alleged motives?

Mr. MOTHERWELL: It is not worth while repeating them. I just referred to them a little while ago. It is pretty hard to put the X-ray on any hon. gentleman and to tell what his motives are, and I do not care to repeat them. I will tell my hon. friend afterwards. Let me go further. This is what Captain Bernier says regarding Churchill:

> I should prefer Fort Churchill, because a ship can come in and she is in a harbour. In Nelson, you have to anchor away out; before you get a chance to come in you have to contend with all that danger. Suppose you dredge there and next spring is an exceptionally fine spring and there is a heavy thaw. Your channel is filled up with sand and the channel is somewhere else. The work that you have done is lost. At Churchill you have a big body of water. Of course, some dredging would have to be done. It is land-locked. There (indicating Fort Churchill on the map) is the work of nature, and when a man has to work against nature there is no money in it.

We have evidence as regards artificial harbours, but as Captain Bernier says in his evidence before the Royal Grain Commission, Canada is too poor to keep up a port like that. Does any lover of the Hudson bay project wish deliberately to shut his eyes and blunder into Nelson with these incontrovertible facts before him? I do not agree with all that the hon. member for Kings, P.E.I., (Mr. Hughes) or the hon. member for Brome (Mr. McMaster) say, but the sticker, especially with the hon. member for Kings, was Nelson. He knows what a harbour is; he lives by the sea, and he took some of the statements of hon. gentlemen opposite to prove that Nelson, in his estimation is, on that evidence, no good. Consequently, the great difficulty, in my opinion, in persuading eastern Canada that we should go ahead with this project is the impossibility of Nelson as a practical harbour. What is the use of going there if we are going to run into a lane with no gate at the end of it? I do not agree at all with the deductions of the hon. member for Brome. He took the ground that he did not think the Hudson bay would be open for more than three months at the most. He suggested from six weeks to three months. Captain Bernier takes the ground that it will be open for four months, and he has given in evidence that if you have radio, with all possible aids to navigation and with 10 per cent, if you like, added to the cost of construction of the ships by having proper plating, there is no doubt the time will be extended to four and one-half months. The statement has been made in the eastern press, not with any desire to mislead, but simply because they do not know anything about the matter,

that you cannot get the grain out the same year it is grown. That is the very year you will get it out. If they took the ground that it is not practicable to store grain there because you might have to wait until July of the next year, there might be some justification for that. But if you will investigate when our wheat starts to move from Montreal, you will find that it is about the 1st September or the last day of August. Our wheat will be moving from Port Nelson or Fort Churchill, whichever port is constructed, as soon as it will be moving from Fort William and ten days before it will be moving from Montreal as it has a thousand miles further to go to get to Montreal. Consequently, the movement of the grain that is grown the same year will start from either Port Nelson or Fort Churchill, whichever one is finally chosen, ten days before the grain will start across the Atlantic from Montreal. How much longer is Montreal open in the fall than either of those harbours? The most that is suggested is about a month and ten days. Some suggest that it is not safe to operate Hudson strait later than the 1st November. Captain Bernier, in his evidence, said the middle of November, and if we take the latter date, it will be closed about twenty-five days earlier than Montreal will be closed. If you deduct from that the ten days, that leaves fifteen days, so that you have only about fifteen days longer to transport our wheat from Montreal than from Hudson bay in the same year in which the wheat is grown.

On the other hand, I do not look forward to its being as good a storage place for grain over winter as the grain storage such as we have at Fort William. There is no doubt that some grain will have to be kept in storage there until the following July or the first of August, and that is where the long storage and interest charges will come in. But if we can get a quantity of our wheat out in the same year as it is grown, that is going to help the peak load when the grain is rushing to Buffalo, Montreal and Vancouver. That is the time when this outlet will be most required, and not in the spring of the year. The other routes can easily take care of the wheat in the spring of the year; but if we go on developing as we may and should develop, we should produce sufficient cargoes to keep the Hudson bay route going at full capacity, without taking away a bushel from Montreal, or Buffalo or Vancouver. Every railway that I have seen developed in the west during the last forty years has invariably produced its own tonnage. It caused so much additional development that before the road or outlet was completed, enough additional settlement and development had taken place to produce freight for the new outlet and the new line. That has been our experience with the Canadian Pacific, Grand Trunk, Canadian Northern and all the other lines that have been built in that country. They have produced their own freight. I do not know to what extent the suggestion of the hon. member for Saltcoats (Mr. Sales) is warranted, that it is the fear that this route will be a success that is actuating some people in opposition to it. Let me say to all such that the way to develop all our ports is to develop the country tributary to them. The great bulk of the grain, in my opinion, for many years will come down eastern routes, either by Buffalo, or by the Welland canal when it is completed. because there is no doubt, in that event, the attraction will be more and more for Montreal. But before that is brought about, a great deal more storage accommodation must be provided at Montreal, or Port Colborne, or Brockville, or Prescott, or wherever the transfer is at the present time. There is twice as much grain elevator storage at Buffalo as there is at Montreal.

So far as the right time in the matter is concerned—that is the substance of the resolution—I have nothing to say. As to when the road should be built, I do not know what the Minister of Railways (Mr. Graham) will have to say on that point, but naturally he wil speak for the government. I am merely dealing with the practicability of the route, leaving the matter of time, which is the essence of the resolution, to the Minister of Railways. You will remember that this great project was first undertaken by the Liberal government under Sir Wilfrid Laurier, who was reported as saying that while there might be some question about the practicability of the Hudson bay route it was the price we had to pay for a united Canada. And has not many a thing been done towards that great end? The price of united Canada was paid in the building of the Canadian Pacific railway, which had just as much an element of doubt as to its future success as exists in relation to the Hudson Bay railway to-day. Did you ever hear of any great project that has been undertaken at any time, whether it be the Suez canal, the Panama canal, the Canadian Pacific railway or any other great enterprise, in regard to which there were not many people who were in honest doubt concerning its success? And so it is with this.

I am not going to upbraid my Liberal friends from the east for holding different views, although what they get is naturally coloured a little with eastern sentiment. Some of them have pretty sound views on marine matters generally, and if they take the evidence in regard to Nelson they are only coming to the same conclusions which I, a western man, have reached so far as that particular port is concerned. I understand that a deputation is on its way to Ottawa now, and in the main I think they are doing useful educational work in the furtherance of the project. But I would advise them not to be quarrelling with everybody if they want to get anywhere. When they find some of their friends holding different views from their own as to the way to attain the object in view they must not be inclined to quarrel. I say without any equivocation that to go to the wrong port at this stage would be fatal. There is no reason why there should be any delay about making a further investigation. There is more than a year's work ahead before we can reconstruct the work to Kettle rapids. There is a tremendous amount of construction work to be done also along the way not only on the road itself but on the telegraph line from mile 214 to Kettle rapids, a distance of 116 miles, and that must be done concurrently with the reconstruction that takes place. If it is desired, a further investigation can be made as to the respective merits of Churchill and Nelson, and if that investigation confirms Nelson then there is nothing for it but to go there.

But have we no additional information recently at all? Well, I remember hearing of the storm that took place a short while ago and I thought at the time that it was only propaganda; for I had been just as suspicious as any hon. member on the Progressive side regarding every move in connection with this undertaking, and when I saw that news despatch in the papers across the country I thought to myself that it was more propaganda. But I did the report injustice because there was a serious storm; and while I will not go into any of the details—there was nothing harowing about the information to hand in March—I know that some of the more recent reports are rather disconcerting. At any rate there was a storm and the dredges and ships mustered in that so-called harbour were torn from their moorings. I do not know where they went but they are being rounded up now anyway. Is that a harbour? I thought a harbour was a sheltered place for shipping, but of course Nelson is not yet finished; there has been only some $6,000,000 spent on it so far. But I am told that all the evidence goes to show that Churchill is better in a state of nature than Nelson is now or can be.

There is another feature about the matter which we might well ponder, and that is that the present undertaking at Nelson, that is to say, the building of a trestle away out to the artificial island, is not the first step that has been taken; the first step was to construct a lock inland and draw the water into it. A large sum of money was spent towards that end, but it was found that it would be better to build this trestle outstream than to try to get the water into this dock. So that there has been a change of views in this regard; they can now see some way of getting out to the channel. But for the life of me I do not know how they are going to keep the channel in its place.

I will not dwell on this point, but I do want to urge this question. Is it not a matter of national honour at this stage to push forward with the reconstruction work to Kettle rapids having regard to what has already been done? As the hon. member for Kings indicated it would mean a tremendous lot to us if we could get to Churchill—and that is where we shall get—and it proves successful. You cannot describe what it will mean to the west. Is it worth while trying? Is it any greater risk trying that than there has been in connection with any other great project? I do not believe it is; and with the road 80 per cent built it would be a huge blunder to turn back. "No man having put his hand to the plough and looking back is fit for the kingdom." That is what this would amount to, figuratively speaking at all events.

I have not said anything about aids to navigation. I have crossed the Atlantic only once but I have seen icebergs, and if the pilot had been so inclined we might have butted into them at any time, for there are scores of them in the north Atlantic. But does that say that we could not cross the Atlantic? We have heard of the Titanic going down, but surely they did not go deliberately head-on into an iceberg. And because the Titanic went down is that any argument in condemnation of the Atlantic? Not at all. With the marvels that have been attained through the radio, and with all the various fog signals and lighthouses that exist to-day, navigation is fairly safe. Look at the equipment on the St. Lawrence. I was at Prescott this winter where I saw a large building devoted to the manufacture of equipment used along the St. Lawrence route, and it was wonderful. So that there is no comparison between what can be accomplished to-day, even in dangerous

seas, with what was done a few years ago. The man at the wheel and the pilot are constantly within earshot of the voice of danger, and by means of modern equipment they know just where the ice is; and they are not going to butt their heads deliberately against any iceberg, or run carelessly into any other danger.

In conclusion, my suggestion is this: We must reconstruct the road as rapidly as possible to Kettle rapids, because no road will ever stand still; if it is not constantly repaired it will rot. And certainly this road will not remain as it was six years ago; it is in process of disintegration continually. If we only spend a few thousand dollars every year on it we might do that for a century and get nowhere, because the work will be deteriorating as rapidly as we can repair it. We should therefore at least go as far as Kettle rapids, our resources permitting, making it possible to connect with mile 214; and we should see to the reconstruction of the telegraph lines which are pretty well dilapidated, as well as to the restoration of the road, which has been heaved up by the action of the frost where the water accumulates. Well, this is being done. There is no occasion for delay, as my hon. friends from Saskatoon and Mackenzie suggested. If it is desired that further money shall be secured for that purpose, concurrently with reconstruction of the road to Kettle rapids the investigation could be undertaken. It has often occurred to me, Mr. Speaker, why what I am going to suggest has never been done. Would it not have been the logical thing—I do not want to upbraid those who have preceded me, but it seems to me, as every farmer knows, that there is nothing like trying your plough or your binder in the field under field conditions before passing judgment on it—would it not have been the logical thing, and comparatively easy, to load up one or two Atlantic liners, or as large boats as could in safety navigate these comparatively unknown waters, with wheat, take the cargo up the Labrador coast, through the straits and, if you like, on to Fort Churchill, and, further, if you like, see how close you could get to Port Nelson, and then see how long it would take to reach Liverpool? Would that be a foolish thing to do? I cannot think so. Please do not rise up in holy indignation at the thought of something being done to make a little surer than it is to-day whether we were right in going to Port Nelson. Surely this is a case where "safety first" should to some extent determine our further action, where we should look carefully before we leap, in order that we do not jeopardize the whole enterprise by a mistaken step at this time, particularly when this investigational work can be undertaken concurrently with the construction of the last 116 miles of the road.

[Mr. Motherwell.]

Mr. J. L. BROWN (Lisgar): Mr. Speaker, when I listened to the speech of the hon. Minister of Agriculture (Mr. Motherwell) on the budget, in which he threw doubt upon Port Nelson as the proper terminus of the Hudson Bay railway, I experienced a great deal of disappointment, particularly as I had just returned from a very largely attended meeting at Winnipeg called under the auspicies of the On-to-the-Bay Association. Any person who attended that meeting would certainly be impressed by the strength of feeling that prevails in the city of Winnipeg in favour of the Hudson Bay railway. I repeat, I was disappointed when I listened to the Minister of Agriculture, because at that meeting Port Nelson was spoken of with great commendation and in no uncertain terms, as I judged, by men who were in a position to speak with knowledge and authority on the subject of which port should be the terminus. I did not attribute any such motives to the hon. minister as some have seen fit to do; I had no thought of attributing to him any ulterior motives whatever. Indeed, I felt that probably he was speaking his own sincere convictions in the matter. None the less, I did feel that he was making a mistake at the time, and I think he will not accuse me of being unfair, of charging against him anything I should not charge, when I intimate that he might have made a mistake in throwing doubts upon the selection of Port Nelson as the terminus of this railway.

Mr. MOTHERWELL: I might have made a political mistake, I agree. I often do that.

Mr. BROWN: I am not speaking of a political mistake, but a mistake from the standpoint of securing completion of the road at the earliest possible date. I think it was a mistake, not that I would be disposed to criticize very severely the comparisons that have been made between Port Nelson and Fort Churchill in their natural state. Indeed, for many years I was disposed to think, as the hon. minister has expressed it, that Fort Churchill was by all odds the most suitable port in its natural state. However, we have to consider the question now, not with those ports as they were twenty years ago, but in their present state; and in view of the fact that a large development has taken place at Port Nelson, that steel has been laid within ninety odd miles of that port that the grade

is constructed for the remainder of the way, and that a comparatively small amount of money would be sufficient to lay the rails and perhaps subject the road to an actual test, it did seem to me that the minister was making a mistake in introducing at this particular time the question of the relative merits of Fort Churchill and Port Nelson. From charts I saw exhibited at Winnipeg a few weeks ago, I judge it would require the construction of a good many extra miles of railway to reach Fort Churchill. I am not certain at what point the branch-off to Fort Churchill would leave the existing grade, but I think probably it would mean the construction of at least another 150 miles of new line.

Mr. MOTHERWELL: About 100 miles.

Mr. BROWN: It was shown also that the line would need to be constructed over a high ridge, involving a heavy grade to reach the top of the watershed, of course running down after that point into Fort Churchill; whereas the existing grade runs along the side of the Nelson river and is down grade all the way. For these reasons I felt it was a mistake on the part of the minister to introduce at this particular time doubts regarding the feasibility of Port Nelson as the terminus. After I came back from my Easter holidays I began to hear the people were imputing motives to the minister, but it had never occurred to me that there were any other motives than simply his desire to express his own personal convictions in the matter; but, as I say, I did feel that he had made a blunder in introducing these doubts at the present time.

I believe that a comparatively small amount of money will suffice to lay rails on the existing grades, and with the development that has already taken place at Port Nelson the road could be put into a position where a test could be made, and so demonstrate beyond any manner of doubt whether it could become a commercial proposition or not. I think we cannot urge too strongly the desirability of doing this for the sake of allaying the feeling of unrest and irritation that prevails in the western provinces. There is no question that that feeling does prevail there, and undoubtedly there has been some reason for it. The prairie provinces consider —and I think myself they have a right to consider—that they have been regarded by the east as proper subjects of exploitation. We have been deprived of our natural resources; we have been regarded as the milch cow of the Dominion; the manufacturers of the east have considered us their legitimate market, which they must hold to the exclusion of all other competitors; the fruit growers of British Columbia have also considered us their natural market; and so from both sides we have been treated as though we were legitimate subjects of exploitation, and naturally we have become somewhat restive about it.

As has been well said, we are marooned in the centre of the continent, and the question of freight rates is to us one of prime importance—of infinitely more importance to us than it is to others living in any other section of the Dominion, for, remember, we must pay the rates. The conditions are such that the price we receive for our produce is the price on the world market minus the freight rates, and the price we pay for the goods we buy is the price plus the freight rates. So that when Mr. J. L. Payne in his pamphlet recently published made a comparison between the rates we were paying on our wheat and the rates that were being paid on goods shipped to the west, he was altogether aside from the mark. We pay the rates under any circumstances; the price is minus freight rates when we sell our produce and is plus freight rates when we have anything to buy. So that the matter of freight rates is to us infinitely more important than it is to those situated in any other part of the Dominion. It would be worth while to build this road if only to allay that feeling of irritation. It pains me, Mr. Speaker, even to hear the word "secession". As a native born Canadian my whole nature revolts from the idea I think it is absolutely impracticable; I think those who suggest it have not taken into consideration at all what it would mean or what would be necessary to accomplish it; I think they are thoughtless in expressing sentiments in favour of such a step. Nevertheless such sentiments are expressed, although for my part I should do everything in my power to oppose any movement in that direction. But is it not well that the people of Canada should begin to get down to solid thinking and see just what are the causes of that feeling? Why does that feeling exist in the west? For the most part it is justified, because we have been exploited on the one hand and we are denied what is our right in seeking this short outlet to the sea. It may be wrong; we may be wrong, but it would be worth the expenditure of that money, it would be worth all it would cost to build the road, to allay that feeling of irritation and bring about a better sentiment in all parts of Canada so far as the attitude of different sections toward each other is concerned.

I have very little to say in regard to the feasibility of the route, or the navigability of Hudson bay and straits. There is such an immense amount of conflicting evidence in the matter that it seems to me almost presumption for any man, unless he is a skilled navigator, to stand up in this House and express positive opinions one way or the other. But I believe that with a comparatively small expenditure the line can be put in such shape as to give the route a practical test that will settle the matter for all time.

There are some things, however, that we cannot help thinking about in forming opinions on the subject. The hon. member for Victoria City (Mr. Tolmie), dealing with the question of national defence, referred to the fact that we needed to be defended upon the Pacific coast and upon the Atlantic coast and suggested that there was no fear of our being attacked from the north. But there is a little incident in Canadian history that throws some light on this matter. The fact is that at one time Canada was attacked from the north. At one time the British authorities considered it necessary to build a great fort, Fort Prince of Wales, at Fort Churchill. Why did the British build a fort there? Because they were afraid their then enemies, now friends, the people who come from the province of Quebec, would attack them in that northern country at a point which was then considered vulnerable. That they were wise in their decision was proved when the French did attack Fort Prince of Wales, and the fort is now in ruins. It has always seemed to me that the British authorities of that day would never have thought of building a fort as Fort Prince of Wales did they not think there was a possibility of the enemy coming in through Hudson straits. If that could be done under the conditions that prevailed during the eighteenth century it is not beyond the bounds of possibility that it might be done in the twentieth.

11. p.m.

We can sometimes judge of the worthiness of a cause by the enemies who array themselves against it. Man is known not only by the company he keeps but sometimes by the character of his enemies. Who are opposed to this route? Well, we find that the opposition is centered very largely around the city of Montreal. There are certain straws which show which way the wind blows, and they indicate that such interests as the Hudson's Bay Company, the Bank of Montreal, the Canadian Pacific Railway Company and the Montreal Harbour Commissioners are opposed to the opening up of the Hudson bay route. Indeed I think there is good ground for believing that it is the fear on the part of these interests that the route would ultimately be successful that actuates their opposition to it. I do not impute that to the hon. member for Brome (Mr. McMaster); I know he entered his protest. But the hon. member for Brome knows that these considerations do at times influence the opposition to or the advocacy of any particular interest or enterprise. The fact that this route is opposed by these interests would seem to indicate the possibility that the road is perfectly feasible.

There was a time when Montreal opposed the opening of the prairie country. One needs only to read the history of the northwest and of the Selkirk settlers to find out what intense opposition was offered to Lord Selkirk's scheme owing to the fact that Montreal interests wanted to keep that great land as a fur trading land and therefore to exclude settlers. If these principles governed the keen commercial men of Montreal a hundred years ago, we may perhaps be excused for thinking that the same considerations enter into their opposition to this scheme to-day.

Mr. McMASTER: That applies, I suppose, to the hon. member for Kings, P.E.I.?

Mr. BROWN: I have great respect for the member for Kings, P.E.I.; I think he would be entirely unprejudiced in the matter. The hon. member for Kings, P.E.I. and the hon. member for Brome are two members on the opposite side for whom I have high esteem; we stand very close together in opinion in regard to a great many matters.

I wish, Mr. Speaker, to associate myself very heartily with those who support this project. I know it is a project that is very dear to the hearts of the people of the west; in fact, I have no hesitation in saying that to them it is almost a matter of religious faith. Besides, there are abundant reasons for believing that the road is commercially feasible and that in time the straits will be navigated and the Hudson bay route will become one of the great trade routes of the world.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, during the four years that I have been in this House we have had an annual discussion relative to the completion of the Hudson Bay railway. As I have not yet spoken on the subject I may be excused for offering a few remarks on this occasion. My views as a western man might be misunderstood did I not place myself on record in regard to this very important question. Did I not take that course my silence on this matter might be construed to mean that I

am not in favour of this project. May I say that the people who sent me here are whole heartedly behind the completion of this enterprise. I want to state further that they are in the main, if not unanimously, agreed that this line should be completed to the bay. I am not going to argue or discuss the feasibility of the project; I think it has now got beyond the realm of argument. That was, or should have been settled years ago; what the people now want is less talk and more action. If the feasibility of this project has not been settled, then a great crime was committed against the taxpayers of this country in squandering millions of dollars of the people's money. But I believe the enterprise is feasible, I believe the money so far expended was well spent; and I believe that the $2,000,000 that will be required to complete the line to the bay should be spent because it will be in the interest of real economy to carry this line to its destination.

The hon. member for Brome (Mr. McMaster) said this afternoon, that this project has been a political football kicked by the Liberals and by the Conservatives for the last forty years.

Mr. McMASTER: And now by the Progressives.

Mr. LEADER: And now by the Progressives. Well, I want to tell the hon. member for Brome that we, the members of the Progressive party are not using this enterprise in order to make of it a political football. I want to tell my hon. friend that the people who sent me here are unitedly behind the project and—whether they are Liberals, or Conservatives, or Progressives—are united in their demands for the completion of the road. Members rise up and talk about a united Canadian people. I ask hon. members how can they expect to have a united people if one section of the country is denied justice. We in the west believe that we are entitled to the immediate completion of this railway. I do not intend to occupy any longer time. I should like to resume my seat so that I may listen to the hon. member for Lunenburg while he tells us of his experience in keeping Hudson strait open for three days.

Mr. WILLIAM DUFF (Lunenburg): I cannot resist the invitation of my hon. friend from Portage la Prairie (Mr. Leader), especially in view of the fact that he is so strong an advocate of economy. But although he talked about economy a few nights ago I notice that to-night he is on another tack. To use a seafaring phrase, the other night he was trying to sail close to the wind. To-night he is under full sail on a quartering wind, and I am very much afraid that unless he heaves his ship to he will get on the rocks talking as he does about economy and at the same time advocating the completion of the Hudson Bay railway.

I agree with one thing the hon. member for Portage la Prairie said. That was that for four years he has sat here and listened to much discussion on the Hudson Bay scheme. It seems to me that remark is of sufficient importance to justify us in coming to the conclusion that it is not good business for this House of 235 members to spend a whole day each year in discussing a project that not one hon. gentleman knows anything about. I make that statement in all seriouness. We have had both sides of this question. We have had hon. members on the Progressive side say that the scheme is feasible, that it is practicable, that we should go ahead and complete the railway to Hudson bay; that we should build wharves and piers at Port Nelson and do dredging there; and that following that steamers should come into the port and take out their wheat and their cattle. We have also heard from the Minister of Agriculture, who is a strong advocate of the Hudson bay scheme except that he differs in this particular from hon. gentlemen of the Progressive party—he feels it would not be wise to go on with the project until we find out whether Port Nelson is a feasible port or not. The Minister of Agriculture I think came to the conclusion fairly well, and proved it by the evidence which he read, that it would be a great mistake to go further and spend any more money on Port Nelson at the present time until we find out whether it is a proper port or not. On the other hand we have had hon. gentlemen from this side, the hon. member for Brome (Mr. McMaster) and the hon. member for Kings (Mr. Hughes) get up and oppose the scheme.

I do not think I need express my views because they are very well known. I have no personal knowledge of Hudson bay itself, but I have been as far north as Cape Chidley which is at the entrance to Hudson strait, and with the limited knowledge at my command and from what I have heard from men who have been at Hudson bay—working on the dredges, going in there on steamers which carried in supplies—with what I have heard from Captain Read who was on the Minto, and Captain Bartlett who was on the Bellaventure, and from other seafaring men, I have come to the conclusion that we should not spend one dollar more until we find out whether this scheme is feasible or not. Let

me say to my hon. friends from the west that if I was convinced for one moment that the scheme was feasible, that proper wharves and piers could be built at Port Nelson, and steamers could get into Hudson bay for not three days in each year but one day in each year—and they cannot do it at the present time—if I were convinced that steamers could get in there to a degree of safety at any time of the year, I would be inclined to vote in favour of the scheme. But from my knowledge I am convinced that there is not one day in the year—let alone three days, or six weeks, or three months—as the hon. member for Brome has said when there is not ice in Hudson strait, and there is danger to every steamer which tries to get in or tries to get out. Notwithstanding the advice of the hon. member for Lisgar (Mr. Brown), who says that unless we complete this scheme there will be practically secession or something else in the western country, I ask is it wise to spend one dollar further until we come to some conclusion as to whether the scheme is feasible or not? The hon. member for Lisgar hinted to-night that eastern interests are opposed to the scheme.

Mr. BROWN: So they are.

Mr. DUFF: Will my hon. friend tell me of one person in the east who would be opposed to the scheme if it were feasible—will he tell me one?

Mr. BROWN: "If the scheme is feasible." It is all right to put that in.

Mr. DUFF: My hon. friend said there were people in the east opposed to the scheme if it were feasible but has he named one person who comes within that category.

Mr. McMASTER: Who are afraid it would succeed.

Mr. DUFF: Yes. Would my hon. friend name one person?

Mr. BROWN: I named them.

Mr. DUFF: Who are they?

Mr. BROWN: Montreal interests.

Mr. DUFF: There are 700,000 people in Montreal. Can you name one individual in Montreal who states that if this road were feasible he would oppose it or name anybody else in the country. No, he cannot, and my hon. friend had to be brought to a round turn by the hon. member for Kings (Mr. Hughes). Personally I am not opposed to the scheme if it is feasible; I should be glad to see wheat move from Hudson bay if it were at all possible.

Mr. BROWN: Is the hon. gentleman so innocent as to suppose that anybody would stand up and say "We believe this scheme is feasible and we oppose it?"

Mr. DUFF: My hon. friend stood up and made the charge to which I have referred. He has said some things to-night which I do not agree with and which I do not think were very well said.

An hon. MEMBER: Church union.

Mr. DUFF: That was one thing, yes. I do not say that my hon. friend said it. I noticed this afternoon in the discussion that some hon. members compared the Hudson bay route with the port of Montreal, and said the Hudson bay route was just as feasible as the St. Lawrence route.

An hon. MEMBER: Hear, hear.

Mr. DUFF: Someone, I think it was the hon. member for Saskatoon (Mr. Evans) said "hear, hear," thus endorsing the idea that the Hudson bay route is as feasible as the St. Lawrence route. I say there is ice in Hudson strait every day in the year, and there is ice in the St. Lawrence only for four months in the year. How therefore can anybody say there is any comparison between the Hudson bay route and the St. Lawrence route?

Mr. WARD: How does the hon. gentleman know these things?

Mr. EVANS: The hon. gentleman said a little while ago that he did not know.

Mr. DUFF: I did not say any such thing. I said from the evidence I had received, and from my own experience as far as Cape Chidley, where on a great many occasions you cannot see an inch of water, I did not think the scheme was feasible. I do know from all the reports we have received—and nobody will deny this—that in the Hudson straits there is ice every day in the year and everybody knows that there is ice in the St. Lawrence river four months of the year only. People also know that at a certain time of the year a notice is sent out that the St. Lawrence is closed, and no steamer or sailing vessel will make an attempt to go up or down the river. The same thing applies to the Great Lakes. There is no comparison between the waterways on the Great Lakes and the Hudson bay, because at a certain time of the year the Great Lakes freeze over, but on the 1st December or thereabouts notice is posted by the Marine

department that navigation is closed till the spring and the aids to navigation are taken up. There is the difference. For eight or nine months of the year the Great Lakes are open for traffic from Fort William down to the east. Can the same be said of Port Nelson or Fort Churchill? No, it cannot. For not one day in the year are the Hudson straits free of ice or navigation safe. I do not want to press this matter too far, but I have before me the log of a ship covering the whole voyage from the time the ship went out till she came in, and that convinces me conclusively that this scheme is not feasible, and that we must have further proof before we spend the money of the people of this country. I have photographs which show that one ship was jammed in the ice for six weeks. The steamship Discovery was jammed in the ice off cape Chidley, the entrance to Hudson straits, from July 24 to September 5, 1918. During those six weeks she never moved, and anybody looking at that steamer could not say that she was not a properly constructed boat that should be able to go through any amount of ice. This picture is signed by Captain Reid, commander. Yet hon. members want us to spend twenty or forty million dollars to finish the Hudson Bay route without first having a proper investigation and survey. I have other pictures taken by Captain Read, who was referred to by the hon. member for Kings, P.E.I. (Mr. Hughes) and they will show conclusively the position at different times of the year. Here is a picture taken on August 17, 1915, showing the Minto with the ice up to her upper decks. She was jammed in the ice. Another picture showing Big island light which shows the whole Hudson straits as far as the eye can see full of drift ice. And yet they say we should spend all this money without further investigation.

I am not going to speak longer because there is sufficient evidence offered from both sides for that matter. One side says the proposition is feasible and the other says it is not. We must get down to business in this matter. I can quite appreciate that the hon. member for Prince Albert (Mr. Knox) is perfectly serious and would like to see something done and believes that something should be done. On the other hand some of us, not from Montreal, Quebec or Ontario, but from others parts of the country, who have no reason for opposing the project on the ground of feasibility are anxious to find out whether the route is feasible or not. What am I going to say about it? I do not know whether the government would approve of my proposition or not, but it is certainly up to the government, after listening to the story four years—and we will listen to it four years more and perhaps longer—to try and do something to satisfy the people of the west who are in favour of the scheme and who know very little about it. What is my suggestion? My first suggestion—and perhaps it is too late in the session to adopt it—would be to let the matter go to a special committee to investigate, to call evidence and to bring before it the men who have been up there and know the conditions. The session it seems to me is too far advanced for that. The other proposition is that the government should appoint a commission of practical men who understand navigation and men who understand the building of works in places like Port Nelson, and between the prorogation of parliament this session and next session, let the commission go up there, spend the summer, and get all the information they can on the ground, stay there until perhaps next July, obtain evidence from men who have been going up there in steamers for the last fifteen or twenty years, come back and make a full report to parliament. Then I think we will be able to decide whether the road should be finished to Port Nelson or Fort Churchill, and whether it would be feasible for the steamers to go in and out of the straits.

Mr. BEAUBIEN: If that commission were appointed to go up there and investigate, how would they get through the ice?

Mr. DUFF: That is a silly question to ask. Let me tell my hon. friend from Provencher that there is no trouble getting into Hudson bay if people have no other business. In other words, if you want to start to-day, you can take the train to North Sydney, take one of my little sailing vessels, go over to Newfoundland, go along the Labrador coast wait for a chance to get into the straits, and go up to Port Nelson. You will arrive there between now and the first of September or October, and if you want to stay all winter you will likely get back in time for prorogation of the 1926 parliament. But that is not the point. If you expect steamers to go in and take your grain and cattle away, before they go in they must be convinced that they can go in with safety and come out with safety. They must be convinced they can get in there in ten days and not spend six months or a year.

Mr. T. W. BIRD (Nelson): I have listened with great interest to the speeches on the other side of the House against this project. I have been somewhat surprised at the method of argument pursued. I will not for a moment impute any lack of sincerity on

the part of the hon. gentlemen who have spoken. I believe them to be sincere, but after all, Mr. Speaker, sincerity is not such an exceedingly all-inclusive virtue after all. I was especially surprised, at the hon. member for Brome (Mr. McMaster). I recognize him as one of the first-rank lawyers of our country, but I was somewhat taken aback at his very unlawyerlike method of argument. He certainly shattered all the rules in regard to adducing evidence, to prove that the period of navigation was short. I think it was Captain Read who took a trip in there in July. Now I fail to understand how he is going to prove anything in regard to the length of navigation, by quoting the case of a man who went in there and came out without saying when he went in or when he came out. I am exceedingly surprised at the hon. gentleman presenting a lame argument of that kind, because it proves nothing at all in regard to the length of navigation.

Mr. McMASTER: I said he took four weeks to go in.

Mr. BIRD: I am concerned as to when he came out.

An hon. MEMBER: Did he ever get out?

Mr. BIRD: If he did not get out, there is no way of telling how long the period of navigation is at all.

Mr. McMASTER: May I ask a serious question? Does the hon. member think a route would be feasible where in the summer time it took four weeks to go to Port Nelson?

Mr. BIRD: I will be able to answer the hon. gentleman intelligently if he will give me the dates.

Mr. DUFF: Does the hon. gentleman want the dates?

Mr. BIRD: I want the dates and the data. I will ask the hon. member for Brome for the dates, and the hon. member for Lunenburg for the data.

Mr. DUFF: I have the dates that Captain Read went in and came out. If the hon. member is serious, I will give them to him. I have the log.

Mr. BIRD: I am not particular about the log.

Mr. DUFF: I thought not.

Mr. BIRD: On this question there are too many logs in this House.

Mr. DUFF: There is some log-rolling too.

Mr. BIRD: When it is not logs, it is icebergs. I accord to the hon. member for Brome that he is sincere in his opposition to this project, but I would commend to him a little more serious investigation of the facts of the situation. I felt from his speech that he had made no such investigation at all. The same is true of the hon. member for Kings, P.E.I. (Mr. Hughes). I also admire that hon. gentleman's straightforwardness on almost every topic he is interested in. I think he is equally sincere in this, but his whole argument was based upon absolutely vague and indefinite quotations. As regards the very author, Mr. Low, from whom he quoted, no one would gather from the hon. member's speech that Mr. Low was an ardent supporter of the Hudson bay route, and yet that is what Mr. Low is after his experiences there. He is a practical man. He went through the strait one summer and he came out the next. His faith in the Hudson bay route was in no sense weakened by his experiences. Indeed, it was strengthened, and from the last chapter of his book one gathers that he was an ardent supporter of the Hudson bay route and a believer also in its commercial value.

The hon. member for Lunenburg (Mr. Duff) falls into the same class exactly as the other hon. members to whom I have referred. He may think we people who dwell on the prairies know little about matters of the sea. Probably he is right; but after all what anyone knows about the sea does not amount to very much. After listening to speeches against this project this evening, one would think that before anybody has a right to express an opinion regarding the Hudson bay route, one must smell of tar and wear baggy trousers or have smelt of tar and have worn baggy trousers. I do not agree with that at all. It is very interesting to listen to these practical men. A sea yarn is probably one of the most interesting species of fiction there is, and no doubt the hon. member for Lunenburg can hold his own in that respect. He has not been as near to the Hudson bay as I have, so why set himself up as being superior to the rest of us?

Mr. DUFF: I went by water and my hon. friend went by land. There is the difference.

Mr. BIRD: It does not matter how one goes.

Mr. DUFF: It does. If you go by water, you get seasick.

Mr. BIRD: The hon. member never saw the bay.

Mr. DUFF: I beg the hon. member's pardon. I saw the Hudson strait and cape Chidley.

Mr. BIRD: That is not the bay. That is 500 miles from the bay.

Mr. DUFF: But that is where the ice is. You have to get through there before you get to the bay.

Mr. BIRD: I am afraid the hon. gentleman's imagination sees ice all the time, and it has a kind of refrigerating effect upon him. I challenge anybody who listened to the hon. gentleman's speech to-night to indicate wherein his claim to superior knowledge is above that of the rest of us.

Mr. DUFF: I did not claim that.

Mr. BIRD: I do not think it is equal to ours, because we have spent more time in delving out the facts, as is evident by his speech.

Coming to the Minister of Agriculture (Mr. Motherwell) I am glad to find that since the last time he addressed the House on this subject he has been investigating further. The minister is one of those gentlemen—and there are a good many of them—who form their opinions first and collect their evidence afterward. That is a hazardous procedure, because the evidence is so varied and contradictory that it is often hard to sustain one's first position. The hon. gentleman the other day quoted evidence to show that Port Nelson was not a port because it silted up and needed constant dredging; that you could not build there because the foundation was sand and so on. To-day, after having investigated the matter further, he quotes other evidence which proves exactly the opposite.

Mr. MOTHERWELL: Oh!

Mr. BIRD: Well, he quoted Captain Bernier the last time he spoke; indeed, he quoted him again, and Captain Bernier on his oath says that the channel at Nelson silts up and for that reason it is of no use as a port. That was practically all the evidence the hon. gentleman had the last time he spoke and it is about forty years old. To-day he quotes such men as McLachlan, men of technical training. Mr. McLachlan is a man who has lived at the port for three or four years, who has had it under his observation. The minister quotes McLachlan, and McLachlan says that Port Nelson never silts up, has not silted up for the last one hundred years or more and probably will not silt up for the next one hundred years; that the bed of the river is hard pan, that is, that it is scoured clean constantly by the swift current, and that at high tide it has a depth of 33.7 feet right up to within two and one-half miles of the island. I challenge any hon. gentlemen here to show me anywhere, with one or two exceptions, any important port that has started out with such a reputation as Port Nelson has at the present time. Some hon. gentleman over here quoted Liverpool, and I was somewhat amused to hear an hon. gentleman compare Liverpool with Port Nelson. There is nothing similar; there is nothing parallel. There was not any water at Liverpool at any time except at high tide. The port of Liverpool was dug out of sand dunes in the fifteenth century. One of the original movers in that great enterprise said that in making Liverpool a port, they had made a silk purse out of a sow's ear. You have no sow's ear at Port Nelson; you have a proposition that is scarcely equalled anywhere else in the world. You have a clean, straight channel leading right up to your docks, within two and a half miles at any rate. As regards dredging all these exaggerated statements about dredging are not true. The government figures themselves prove that.

Mr. HUGHES: I did not speak of the port of Liverpool. I spoke of the mouth of the Mersey river that leads to Liverpool.

Mr. BIRD: It is the same.

Mr. HUGHES: No. The sand bar at the mouth of the Mersey is three-quarters of a mile wide. It is a sand bar and a shifting channel. That has nothing at all to do with the port that is up the river.

Mr. BIRD: I have seen it all many times and I know what it is, but the contention of the hon. gentleman makes his position all the worse. Liverpool not only had to dig the docks out of the dunes but the channel also had to be dug out; and more than that, it has to be kept dredged all the time. You would never have that proposition at Nelson, where you would have a yard or two of mud and stone to remove for a distance of two and a half miles. That done, and you have your port at Nelson.

I do not know how to sum up this rather curious medley of opposition we have had to-day. If that is all the opposition we have in parliament why is there longer any hesitation about going ahead with the project? I was reminded to-night of a somewhat striking legend which perhaps hits off the situation. Once upon a time, so the story runs, Satan was very much concerned about a revival that was proceeding and to which he wanted to put a stop. He knew of no method by which

this could be done but as it happened he had some assistants: there were a big devil, two medium sized devils and a little devil. The big devil came up to him in his perplexity and said that he could manage the affair; he would tell the people that there was no God and that would settle the whole thing. But this did not appeal to Satan, who said that the people would never believe it. Thereupon the two medium sized devils suggested that they could put an end to the meeting by telling the people that there was no such place as hell. But again Satan objected; he was quite sure that the people would not believe this either. At last the little devil came forward with this solution. He said, "I will tell them that all these things are true but I will tell them further that they need not worry because there is plenty of time." I do not like to be personal, but it seems to me that the hon. member for Brome (Mr. McMaster) has played the role of the big devil in this particular matter we are now discussing, and I am sure that no one will believe him in his opposition to the project. We have also had the medium sized devils whom nobody will believe either. And we have had the little devil in the person of the Minister of Agriculture (Mr. Motherwell). What he says is more insinuating, it is more subtle; unlike the hon. member for Brome and the other two members on the opposite side who have opposed the proposition, the Minister of Agriculture believes in it, but he says "there's lots of time." I think that is the most dangerous attitude that can be taken on this subject especially by a minister of the crown.

I do not intend to detain the House much longer, because during the last four years all the details of the subject have been gone over; and I venture to say that the arguments that have been put up from this side of the House have met with no considerable degree of effective opposition. There has been no serious attempt at refutation, and we have done our best during that time to put the facts before the public. Our efforts have not always been appreciated, although we have been moderate; at least many of us have tried to be moderate and to present the facts just as we have found them. I do not think we have made much impression however, and I am sorry; the assurances we have been able to elicit, so far have been so vague and indefinite as almost to make us think that they meant nothing at all. In the words of a famous children's classic, it is jam yesterday and jam to-morrow but never jam to-day. We seem to be led on, but somehow our advocacy appears to be futile. The hon. member for Brome could not charge us with making this a political football for we have not done so. We have tried to be fair to the government, and indeed we have been deferential to a degree that has caused us sometimes to be misunderstood by our own people. In every way we could we have tried to let the government declare itself; we have not browbeaten them or tried to place them in any awkward position. I know that last year the Minister of Railways (Mr. Graham), who is otherwise a good-tempered individual, seemed to get just a little impatient with us and he imagined that we were trying to drive him into a corner. That was not the case; we had no such intention.

Mr. GRAHAM: He did not go into the corner; there is a little Jack Horner over there that did.

Mr. BIRD: I do not under-estimate the minister's ability to take care of himself, but I want to tell him and the House that however much he thought we in this corner had been pushed from the outside we had no intention then nor have we any intention now of being so pushed. I think that the time for being pushed from the outside is pretty well past for this group, and in the last four years we who have been advocating the completion of the Hudson Bay railway have shown, I think, that we are not the kind who are easily pushed from any quarter. We sometimes rather feel anxious to let somebody start to do the pushing. I do not think that the Minister of Railways really meant what he implied last session; in a moment of impatience he thought we were overstepping the bounds and were actually trying to play politics with him. But as hon. members have said, this is not a matter of politics. Most of us are solid with our constituents in this respect; we believe what we do because we live where we do.

Now, it would be very interesting if one had time to review the history of this matter; it is a very illuminating history and it does not do a great deal of credit to this parliament. Away back in the days of the last century this parliament was unanimous in conceiving the Hudson Bay railway to be a national project; There is no question about that. And it made generous grants in land in order to confirm that belief. Not only that; it sent out very expensive expeditions that cost the country considerable sums of money. The reason in those times why the Hudson Bay railway passed into abeyance was due to the unlooked-for development in western Canada. In the nineties of last century when these immense wheat fields were being brought un-

der cultivation men's minds were occupied with the problems that attended that development. They ceased for the time being to think about the Hudson Bay railway, but in a few years the matter emerged again when the west began to fill up and when those fields began to expand; then again the Hudson Bay railway came to the front and by 1906 it was a vital issue in this House, accepted by all parties. There is no doubt about it. At that time the Liberals were committed to it up to the hilt, and so were our Conservative friends. The Liberals, coming back to power in 1908, immediately began to make some feint at implementing their pre-election pledges. In 1907, I think it was, the matter was broached in this House by western members, and in 1908 a full dress debate took place thereon similar to the one we had in 1923. As I say, some effort was made by the government to carry out their promises, but then as now they were slow. There might have been justifying reasons for the delay, but you know as well as I do that the government was in power for three or four years and there were no promises implemented. The first sod was turned; but after all what is the first sod?

Mr. GRAHAM: Mr. Speaker, my hon. friend, above all men, should be an example to the rest of us for veracity. During the time he says nothing was done the contract was let for the first section of the railway to J. D. McArthur and signed by myself. The contract for the bridge at The Pas, if I am not mistaken, was let and considerable construction took place. If that is not implementing promises, I do not know what is.

Mr. BIRD: If the hon. minister will have patience and not concern himself with my veracity, I will come to that point.

Mr. GRAHAM: I do not want you to go wrong, but you will unless you crawl back on the right road.

Mr. BIRD: I do not think I have given the minister any cause for anxiety regarding my veracity.

Mr. GRAHAM: Yes, the hon. gentleman made a statement which I say is absolutely incorrect.

Mr. BIRD: The hon. minister is too impatient.

Mr. GRAHAM: Not at all.

Mr. BIRD: Yes, he has taken the words out of my mouth. I am not accustomed to having my veracity questioned, even on the floor of parliament.

Mr. GRAHAM: The hon. gentleman must expect to have it questioned if he goes wrong.

Mr. BIRD: I have been very careful in this investigation not to do any injustice to the Liberal party, and I prefaced my remarks by saying that, so far as I knew, there might be justifying reasons for the delay.

Mr. GRAHAM: But a little later—

Some hon. MEMBERS: Order.

Mr. BIRD: And I added that at the end of that parliament very little had been accomplished.

Mr. GRAHAM: That is not what you said. You said that nothing had been done to implement the promises.

Mr. BIRD: I did not say so.

Mr. GRAHAM: Yes, you did.

Mr. BIRD: Then I stand corrected, for it was furthest from my mind to say what was not absolutely truthful.

Mr. GRAHAM: It is all straightened out now.

Mr. BIRD: I was simply trying to show that during those three years the Liberal government did not succeed in advancing very far in the implementing of their promises, and I think that is an historical fact. In 1911 they were superseded by our friends to the right. Now, again, I want to do no injustice to the Conservative party. That party, for some reason or other, showed signs of greater activity than did the Liberals.

Mr. GRAHAM: They stopped the work.

Mr. BIRD: I am coming to that part of it.

Mr. GRAHAM: They stopped it the moment they came into office.

Some hon. MEMBERS: Order.

Mr. BIRD: Yes, I understand the Conservatives stopped the work for one year in order, with the usual suspicion between the two parties, to make the investigation all over again. I think that is the essence of the effete two-party system—they cannot trust each other sufficiently to carry on the work of the country in continuity. There was a lapse of one year for that reason. It may have been a purely political reason, or it may have been a business reason, but there was that hiatus of one year. But after that the Conservatives made up for lost time by proceeding with the work with great

rapidity, and anyone looking at the records can see that for the next three or four years they certainly wasted no time in trying to redeem their promises. But in 1918 the work did come to a stop, and here again I am not imputing any motives. I am not sure which party was to blame, but I think they were both to blame for the work stopping. Governments may not be consciously influenced by forces outside themselves, but I think it is well understood that their actions are apt to be the reflection of the latest influence brought to bear. At that time there was a very concerted opposition to the Hudson Bay railway rising in the country, and the reasons given for ceasing work were, I think, somewhat insincere. I use that word because the charge is general. But there is this evidence to show that it was insincere, because in 1918, I think it was, the then Minister of Railways said that the government had ceased work for want of ties. The next year the plea was that branch lines required prior consideration. Yet again, in the following year another excuse was found—the finances of the country were in such shape that it was not advisable to go on with the Hudson Bay railway.

Now, I believe that during this period the opposition to the Hudson Bay railway which had blossomed out in the last few years was just beginning to make headway, and to make its influence felt upon this House. It may not have been consciously so, but there is no doubt in my mind, connecting cause and effect, that the propaganda then going on in the country found its reflection inside this chamber. Why, the editorials and the specially inspired articles to which this country has been treated in the last half dozen years were bound to have their influence upon the political mind. And those articles, from whatever source they came, I believe, have had a paralyzing influence not only upon this government but upon its predecessor. There is no other way of explaining the present attitude of the Conservative and Liberal parties towards this project. Their attitude is altogether inconsistent with what they have professed in bygone years. There must have been some intervening cause, there must have been some influence working upon their minds. It has been this flood of newspaper articles, this deluge of editorials from inspired sources. And I want to say, Mr. Speaker, that if ever there was an act of sabotage committed in this country it was on that occasion. These people did not dynamite the Hudson Bay railway, but they might just as well have done so. When workmen leave blast furnaces and mines to take care of themselves, that is sabotage. When a newspaper campaign paralyzes the nerves of government, causing a twenty million dollar proposition to moulder in the wilderness, that is but sabotage too, and that is what has happened in recent years.

Since 1918 the Hudson Bay railway would have passed into entire oblivion had it not been for the Farmers' organizations of the west. They have never forgotten it. At every annual convention each local has kept this thing before the public mind, and during the last parliament those organizations found what was perhaps a lone voice in this parliament in my predecessor. I must accord to him considerable merit for the manner in which he voiced the opinion of the west in that respect during the last parliament—a voice crying in the wilderness; for so far as I can see he had a very unresponsive parliament to meet.

Now, in 1921 this was an issue in the election. The record of the Liberal party and of the Conservative party was a factor in that election, as we who took part in it very well know. If one thing is more responsible than another for the obliteration of the old parties, especially in the northern parts of the provinces of the west, it is this one question; there is no doubt about that from one's memory of the last election. That being the case, naturally we from the west, especially those of us from Saskatchewan and Manitoba, saw to it that the feeling of the people in this respect was immediately voiced in the House. We raised it the first session in the committee on railway estimates. We had every courtesy from the Minister of Railways at that time. But in replying to us the minister showed that he had given the matter no consideration, and the indications were that the government as a whole had given less consideration to it. But at that time we were not unreasonable; we were willing to wait and see, because we felt that the government, coming into power when they did, had a situation on their hands which perhaps justified their paying little attention even to the Hudson Bay railway. Now, in the following year we broached the matter again. This time we had a real debate, and the mass of evidence accumulated on Hansard has never been equalled in this House in its convincingness and its completeness. The Minister of Railways that year—the present minister—in reply pleaded the financial condition of the country and would not promise the immediate completion of the railway;

nor did he outline any scheme for its completion. But he did promise that he would complete the first 312 miles—that is, restore it; and for that purpose he placed in the estimates an amount of $350,000. We were frankly disappointed, as the House will remember; but we were helpless and we had to await the pleasure of the government.

But I am travelling ahead of my story. In the previous winter an incident occurred which had a tremendous influence upon opinion in the prairie provinces. That was the order which went out from the department to tear up the steel along the Hudson Bay line. The order was carried out to the extent of sending gangs away up the line at immense expense to perform that task. The effect on public opinion was such that the government was compelled to rescind the order. At that time Sir Henry Thornton came on the scene and I think he was responsible for advising the government not to proceed; at any rate that is how the public took it. As I say, that incident aroused public opinion in the west and caused more interest to be taken in the Hudson Bay railway in the session of 1923 than in any other. The minister responded to the extent of placing in the estimates the amount I have mentioned. That would have been satisfactory to some extent if the money had been expended that year. But I travelled over the whole length of the line in the fall of 1923, and all I saw was a few scattered gangs of men, not more than a hundred, perhaps, in all, laying a few ties here and there; and that is all that was done that year. I understand that considerably more work was done last fall. I may say I travelled over a hundred miles of the line last fall and I can add my testimony to that of the hon. member for Springfield (Mr. Hoey), that the line for that one hundred miles is in pretty good shape. But what does it amount to? What does this putting in ties and dumping gravel here and there amount to? It is not completing the Hudson Bay railway. It is putting the Hudson Bay railway into such condition that the Canadian National can operate it for a few hundred miles, but that is not completing the line. These ties are being renewed on the most perishable part of the railway and in a year or two they will again have to be replaced at the same cost. I do not think it can be honestly said that the government have even attempted to carry out their promise of the session of 1923, because if they had been in earnest they would by this time have had the line completed up to mile 312 and we would have had various indications, by the disposition of material and so on, that the project was continuing. That is the least we could have expected, and I hope the minister will have some satisfactory explanation to make of the delay.

12 m.

To-night we are again endeavouring to solicit from the government some statement as to its policy. We are not unreasonable in our expectation. The Prime Minister (Mr. Mackenzie King) in his tour of the west made a certain reference to the Hudson Bay railway. The Minister of Railways, in speaking last year, made a reference that has a bearing upon the utterances of the Prime Minister in the west last year. The Minister of Railways said that so long as the House was constituted as it is there could be very little hope for the Hudson Bay railway. That utterance of his was enigmatic to me at the time and has been ever since, because what does it mean—"if this House continues to be constituted as it is at the present time?" It can only mean one of two things. The minister may have meant that there might be some opposition as between parties in this House; that one part would block another in its attempt to complete the Hudson Bay railway. But after the declarations we have had from all parts of the House it is inconceivable that any party should attempt to block any effort to complete the Hudson Bay line. And so the minister must have meant that the cause lay within his own party, that there was some obstacle within the Liberal ranks. Now, I am not adopting any superior attitude in a party sense, because I realize that there are obstacles right in this party so far as that goes. But that is what the minister evidently meant, that there was a disposition in the Liberal party to divide on this question. Now if there is any declaration of the minister that will cause division in his party I think it is highly to be recommended. We on this side find that it is a very healthy thing. When a divisive influence passes over this party we seem to emerge from it happier, and better, and stronger than ever; and I think on a great many things it would be healthy for the Liberal party to have an honest difference of opinion, to come out and say openly that they do differ. Because so long as they will not say it it is impossible for the public to see where they stand on any particular question. Now, where does the Liberal party stand in regard to the Hudson Bay railway? Who knows, who can tell? Nobody. It has never been uttered, never been said; and anything that has taken place in this debate so far does not make it any easier to tell where the Liberals stand. There is some paralyzing

influence within the ranks of the Liberal party which makes it impossible to proceed with this venture. The Prime Minister himself when in the west re-echoed that same view. The Prime Minister indicated in his speeches that to press the Hudson Bay railway at the present time might create a situation that might militate against that railway. That is arguing in a sort of circle. It really means: If you press the Hudson Bay railroad at the present time you will disrupt the Liberal party, and if you disrupt the Liberal party you will militate against the Hudson Bay railroad. You can see it is arguing in a circle and it comes around to the same thing. And I want to tell the House that is exactly the impression that the Premier's utterance left upon the west. They may not have said it in so many words but the west felt that the Prime Minister in saying what he did was saying nothing at all because they understood him to say: If you press the Hudson Bay railroad you are going to disrupt the party, and if you disrupt the party you are going to hurt the Hudson Bay railroad. I could have wished that the Prime Minister in his western tour could have said something that could have drawn the heart of the west—not to him, because that is not the thing we are wishing for, but had drawn the heart of the west more closely to the east as we hoped, but I think the Prime Minister failed in that sense. His tour throughout the west no doubt created immense interest. I had the pleasure of listening to one of his speeches, but it failed in the essential thing—in bringing any warmth into the western heart towards the east of Canada. The Prime Minister no doubt would have wished to do that but it is not an easy thing to do, unless there is a policy that contains some degree of definiteness that the average citizen can understand, that he can figure out, that he can meditate on and get some degree of hope out of.

Now I know that the old plea of economy will be put forward.

Mr. PUTNAM: Will the hon. gentleman permit a question? Is his argument founded on the assumption that the navigability of Hudson strait is proved, or that it is still a matter for fair controversy?

Mr. BIRD: I believe that the navigability of Hudson strait is absolutely proved, and that no amount of investigation will get you one degree further in the direction of proving or disproving it; I believe all the relevant facts are known.

Mr. PUTNAM: What is the length of the season each year?

[Mr. Bird.]

Mr. BIRD: That is indefinite, but I think four and a half months is a very good average for the moderate mind to accept. I was proceeding to say that the plea of economy is one we are constantly up against in this chamber.

Mr. CARRUTHERS: In the last two lines of the resolution it says "recognizing the priority of the Hudson Bay railway with reference to other transportation projects started subsequently." Does that mean that the branch lines now under way will not be finished and that no more will be constructed until the Hudson Bay railway is completed?

Mr. BIRD: No, I would not read all that into the resolution. I think the resolution is merely a Knoxian method of saying it is a very desirable thing to go forward with the completion of the Hudson Bay railway at once.

Now, coming back again to the question of economy, I noticed in the debate on the Speech from the Throne and also in the debate on the budget, that members of the opposition proved, and I think almost conclusively, that we had reached rock bottom, that it is difficult to economize in such a way as to make any appreciable difference in our national debt at the present time. The hon. member for St. Lawrence-St. George (Mr. Marler) in his speech on the Address went to a lot of trouble to show that we had reached rock bottom, and I think the Prime Minister also enunciated the same view in his speech on the budget. If that is the case where do we stand in regard to the Hudson Bay railway? The plea of economy seems to be no longer relevant, because if we have reached rock bottom the average member must see that for the next twenty years there is going to be no appreciable change in our financial condition, nor for the next forty years; and does the government propose to postpone the Hudson Bay railway indefinitely? It seems to me that if we have reached rock bottom the only sane thing to do is to build the Hudson Bay railway immediately, because if our financial condition cannot improve for the next twenty years it would be folly to wait; with every year that passes the Hudson Bay railroad depreciates at least a million dollars—at least it has done so for the last few years. So I think the plea of economy is entirely irrelevant to the argument. Knowing that, we all realize—I think even the Conservative opposition, believes—that we have pretty nearly reached hardpan in connection with our national expenditures.

Now, Mr. Speaker, I have endeavoured in as moderate a manner as I could, and without

retracing the old ground, to bring this matter before the government once more. As to the tendency to asperity which has been pointed out to me I hope it will be abundantly pardoned because it is not in my nature to descend in these arguments to such low methods as that would seem to indicate. I have great admiration for the hon. gentleman's personality but I hope that he will not let us go home to-night without making clear beyond peradventure what the government intends to do in the next two or three years or so with regard to the Hudson Bay railway, if the government are to be so fortunate as to remain in power during that time.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): This is a subject which has not only been debated for the last four years, but for the last forty years, and I will just make a running comment on a few of the things that have been said.

In the first place, I desire to say that the debate on the whole has been very fair indeed, and the mover of this resolution set a good example to all his brethren. He talked to his resolution, and he did not insinuate that any of us were controlled by infernal powers. It is late in the night now, and I know I will be pardoned for telling a story. I seldom tell one in the House, but when I heard some hon. gentleman, not following the lead of the mover of the resolution, attributing motives to us villains whom providence has placed in the eastern part of the country, and to others, I could not help but think of this story. It was about a horse-trader and he had a deal on. Professional horse traders usually have one on, but he was asked to come in and kind of oversee a trade without being apparently interested. So that he was standing in the stall of the barn, and the chap that came in, wishing to trade his horse, commenced to feel round the spavin joints of the horse in the barn, and he felt down to where there might possibly be a ringbone on the horse. Not satisfied with investigating the hind legs, he went to the front legs and looked for splints. The adviser called up the man that owned the horse and said, "Do not trade horses with that fellow", and added, "Any man that looks at another fellow's horse for ringbones, spavins and splints,—sure his horse has got some of them." It always struck me that the man who is imputing motives to others—well, he could spend some moments in what we call introspection. There is a weakness somewhere in a man who thinks all his fellowmen must be wrong because they do not think as he does.

Now I did speak rather sharply to my young friend from Nelson (Mr. Bird). Hon. gentlemen will realize that if it had been some other hon. gentleman who was not accustomed to the effect of words and had not such a perfect understanding of what a word meant in a sentence, I would not have come out so boldly, but when I was accused of playing with the Hudson bay matter after the election of 1908, between that and 1911, I resented it very much, because the opposition of that day told me I went too fast in letting this contract. In fact I went so fast in letting the contract that when they got in power they held it up. They thought there must be some campaign fund or something of that kind in it. I thought I went very rapidly. Then in addition to that I had some trouble in letting the contract for the bridge in his constituency, that he walks over quite likely now, and I was told that I rushed that too rapidly. I would suggest to my hon. friend, as an old man to a young man, in a case of that kind, always be sure; it is better than being sorry afterwards. Then some hon. member, I think my hon. friend from Lisgar (Mr. Brown) referred to some talk about secession, and stated that some other gentlemen were talking about freight rates and secession. Where were they going to secede?

Mr. BROWN: I want to make it abundantly clear that I think the whole proposition in regard to secession is wrong.

Mr. GRAHAM: I understand that, and I want to exculpate my hon. friend from Lisgar. But I am talking about the other fellow. He was going to secede from Canada, and where was he going? I want to tell him that if he secedes from Canada to the United States he will pay great deal higher freight rates than he pays in Canada, and that is an important point according to my hon. friend from Lisgar. I want to tell all those who talk about seceding that they will pay 30 to 40 per cent more freight rates if they go away from Canada than they have to pay in this country.

I am aware that some of the speeches which have been made will make votes for the hon. members who spoke. I feel confident of that, but I submit with all modesty that these speeches will not make friends for the Hudson bay project. I thought it was a mistake last year to move a vote of want of confidence in the government and press it to a conclusion. I think so still, and I think that made it harder for them to get friends—I say frankly—in the Liberal party for the Hudson bay project than if that resolution had not been moved and pressed to a conclusion.

That is a matter of history. Hon. gentlemen can do as they like.

Now to come to the project itself. My hon. friend the Minister of Agriculture (Mr. Motherwell) is going to move us on to Churchill. I will state the reasons for taking the port of Nelson. We base all our action, every bit of it I might say, on information brought to us by engineers of the department who were sent to investigate, added to information that they gave us in connection with those who had had sea-faring experience. I will admit this: That I think the necessity of the construction of a much longer line of railway to Churchill may have had considerable influence in the selection of Nelson. But just at the time the selection was under discussion, or practically had been made, the government changed, much to the detriment of the country, and my successor was neither satisfied with the contract nor with the port of Nelson; so he stopped the contract, and stated he would see whether there was anythink wrong with it. Then he made a trip to Nelson himself, and came back enthusiastic about that being the proper port. I refer to the late Mr. Cochrane. I do not pretend to be practical myself, and I simply based my selection on the information given by the engineers at that time. This was confirmed by my successor in office, Mr. Cochrane; but, as I said before it is possible the shorter mileage of railway construction might have had something to do with the selection of Nelson.

As regards the Hudson strait, I do not know anything about the strait, and I think if I were to go around the House I would have a good deal of company. We have formed ideas from what we read. The information that I gleaned from the reports I read and reports that were given to me was, if I remember correctly, that the season was as short as six weeks and that it ran to four months. But in all this I suppose there is not much information which my hon. friends are looking for. The resolution itself does not call for any real information. I have some notes here but I do not propose to elaborate them, because hon. members want to get through with this debate as rapidly as possible. I want to read the resolution of 1923. This is not the vote of want of confidence; this is the resolution of 1923, which reads:

That, in the opinion of this House, the government of Canada give further consideration to the report of the Senate committee on the Hudson Bay railway with a view to safeguarding the investment of public moneys made in the construction of that portion of the work completed to date.

[Mr. Graham.]

Down to that point every hon. gentleman who has spoken to-day admits that we have made good—and that is nearly all of the 1923 resolution—that we have protected the investment made in the portion already constructed and put into operating condition the line as it exists up to mile 214. That has been done. The hon. member for Springfield (Mr. Hoey) says that that is in good condition. There is 118 miles that is not in extraordinary good condition, although he went over it at thirty miles an hour. I think from what I know of the road, he should have been arrested for speeding. Before I get through, I will show hon. members that we propose at least to carry out at once the resolution up to the point I have named and, in fact, that is nearly done now.

One thing that I cannot understand is how hon. gentlemen object to the Welland canal expenditure. If it is not to aid in the carrying of grain from the west, it is not for anything; it might as well never have been constructed. It is not for the products of the east. Let me point this out to hon. gentlemen again. Although hon. members take a different view now, when I was in the west in 1910, one part of the west wanted the Hudson Bay railway and the other part of the west, with every deputation, without a single exception, asked for the deepening of the Welland canal. I remember when I was leaving one point with Sir Wilfrid Laurier we were told: Now, the next place you stop at, the deputation will ask you to build the Hudson Bay railway; they are not so much interested in the Welland canal. When hon. gentlemen criticize the late government and this one with the deepening of the Welland canal, they are criticizing an action which was founded primarily upon the request of the western people and I am speaking of what I know.

Mr. KNOX: Would the minister say that there has been as much pressure for the Welland canal as there has been for the Hudson Bay project?

Mr. GRAHAM: At that time before either one of them was begun, there was far more pressure for the Welland canal than for the Hudsoy bay project. I say so advisedly.

Mr. EVANS: May I respectfully ask what bodies in the west pressed for the Welland canal?

Mr. GRAHAM: That is a good many years ago, but they were live bodies, or at least they talked in that way. They were just as strong for the Welland canal as

another portion was for the Hudson bay project and they had organizations pressing. As a matter of practical construction, the new Welland canal project—and it is not a new project; it is as old as the hills—was begun by the government of Sir Robert Borden, although under the Laurier government we had made some surveys, got together considerable data and made test pits and that kind of thing. But the Laurier administration would have done exactly as their predecessors did in deepening the Welland canal. As I said a moment ago, if the Welland canal project was not to aid in cheapening freight rates on the western crop, there was no sense in deepening that canal under any consideration. The United States government have recognized that, because they have proceeded to deepen their canal, what we call the American Sault. The Canadian canal is not deepened, but the larger locks and the greater depth on the American side has been used by our Canadian ships of larger draught, while the Canadian canal serves the smaller Canadian ships of lighter draught and American ships of lighter draught, there being no canal dues on either side. Whatever may be thought now, I was just as conscious and so was the Laurier administration and, I believe, our successors that in starting the Welland canal improvement, we were doing something to aid the western farmer to market his crop at a cheaper rate of freight. I believe that will be the result, notwithstanding criticism, because while vessels can be loaded and come right down drawing up to 21, 22, 23 feet, as the canal will accommodate vessels of larger draught than that, surely with one lightening further down the line with larger vessels taking the big load, you can get to the seaboard much more quickly than at the present time. The government has to-day a large elevator at Port Colborne, and through that elevator even with the present depth of the Welland canal, go millions and millions of bushels of western wheat. If western wheat is not going to be benefited by going through the Welland canal, it was a mistake to build it at all. Both governments, that of Sir Wilfrid Laurier and the government succeeding it, believed—and I believe their views were founded upon accurate information—that the deepening of the Welland canal would enable the western farmer to get his wheat to market at a cheaper rate of freight than he is now paying. These things should be thought out together. I am not scolding at all. With that viewpoint, no objection should be taken to the Welland canal, and it should have no influence one way or the other on the Hudson bay project.

As regards the Hudson Bay project, it is too late for the Liberal party or for myself to say that it is a phantom. As has been pointed out, both of the old parties have been committed to the Hudson bay project, and as has been said, the time must come, and must come before very long, in my humble judgment, when somebody will finish the Hudson Bay railway. I think I am safe in going this far in making this statement. Even if doubts exist as to the practicability of carrying wheat at a reasonable rate, there would not be a very great risk in finishing this line and using it for a colonization line and for whatever traffic might accrue from a port on the ocean at that point. I am not saying that the other would not be practicable.

In discussing this question years ago it will be found, if the records are looked up, that I rather laid stress on the value it would be to the live stock breeder and to the dairy interests of the west, to whom a voyage on the ocean does not make much difference; because the colder the surroundings and the cooler the atmosphere, so long as it is not overdone, the better it is for both cattle and dairy products. I look to the west, and I do not have to look very long because it is rapidly materializing, as possibly the dairy centre of Canada; the dairymen of western Canada are making strides on us in Ontario and Quebec and in the Maritime provinces as well. And these products, it seems to me, would be more sure of successful transportation in this way than perhaps wheat would be.

Now as to what we are doing at the present time. My hon. friend from Prince Albert (Mr. Knox) asked in last year's resolution that we complete the repair of the property so as to protect our investment there. Last year, the first year, we expended quite a large amount of money, although not nearly so much as was voted, and the reason was that parliament sat late, so that there was no opportunity to proceed until we could get at least an initial vote. And the farmers do not like railway construction to interfere, either in the matter of wages or in the employment of men, with the work they are carrying on. So that a comparatively small amount was expended. But the fact was that the Parliament of Canada had approved of the expenditure of money in order to put this line into proper operating shape to the extent that is now constructed. The next year, in consultation with the railway authorities, I asked them to go on as though a vote had been given; because I felt sure that parliament would grant another vote; and this year, in the Canadian National expenditures, we have

if I remember rightly a vote of $180,000 or $200,000 to complete the repairs to that last section of the Hudson Bay railway to which my hon. friend has referred. But hon. gentlemen, who are great friends of public ownership, must remember that under the new arrangement every dollar expended on the National Railways; it is not charged to the Hudson Bay will be charged to the Canadian consolidated revenue of Canada but against the Canadian National, and on that money the Canadian National must pay interest. We must therefore go no more rapidly in these things than can be defended from the point of view of the Canadian National Railways as well as from the standpoint of the people of Canada.

Mr. HOEY: That would be a good argument for the completion of the road at an early date, to make the railways a paying proposition.

Mr. GRAHAM: If it were to be a paying proposition it would be a good argument, but I am not so sure. However, I am not saying that it would not be.

Mr. WARD: Will the Toronto viaduct be a paying proposition?

Mr. GRAHAM: My hon. friend has altogether a misconception of the Toronto viaduct situation. That was a bargain between the railways, before there was a Canadian National Railways, and the city of Toronto; an agreement was signed and carried to the Judicial Committee of the Privy Council where it was confirmed. The burden therefore was on the Grand Trunk Railway, and the agreement could have been enforced. The government of Canada might have been, and in fact was being, sued for the performance of that contract. Under those circumstances there was no alternative but to clean up the Toronto situation, and it was cleaned up at a saving of several millions of dollars. That situation was altogether different from this. Now, I have talked long enough. I have said what we propose to do this year, and any further announcement that is necessary can be made later. But at the present time we have in the Canadian National estimates the amount charged for the completion of repairs to the last section that has been referred to.

Hon. gentlemen have heard my remarks in regard to the Welland canal. I do not admit for a minute that the Welland canal was started after the Hudson Bay railway. The Welland canal is an old scheme which it was intended should be enlarged when the time came that both countries could enlarge their channels. With that explanation I see no difficulty at all in accepting the motion of my hon. friend. I do not think he would want us to say that we should not operate any branch lines; that is not the intention. The intention of my hon. friend is to impress upon the House and the country the necessity of keeping in mind the Hudson Bay railway project and not having it side-tracked by everything that comes along.

Mr. KNOX: I consider the Welland ship canal as a transportation project to have been started subsequent to the Hudson Bay railway.

Mr. GRAHAM: I do not agree with that, because the Welland ship canal has been in existence a great many years; it was there before my time. Its constant improvement is a matter for the benefit of navigation, just as the constant improvement of the river St. Lawrence is necessary in the interests of navigation.

Mr. KNOX: Is not this an entirely new canal?

Mr. GRAHAM: It is a portion of the old one, but it is really like replacing your old house with a new one. You may not put up the new one on precisely the same land but it is a continuation of your residence. With that explanation, Mr. Speaker, I see no objection to the House accepting the resolution of my hon. friend.

Mr. HOEY: Having put the line in a state of good repair to mile 332, if the government is in power will the minister give an assurance that it will then undertake the completion of the road?

Mr. GRAHAM: If the hon. member will say that he will help to keep the government in power I might give that assurance. But that might be considered bribery. However, that is only a bit of pleasantry between the hon. gentleman and myself.

Mr. MEIGHEN: Would that improve the merits of the Hudson Bay railway?

Mr. GRAHAM: It would fulfil the other contract, which would be necessary. However, I hope the government will be in power and that we shall be able to discuss this question again.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I do not need to speak at any length; in fact I am not certain that words are at all necessary. I have no difficulty whatever in agreeing with the Minister of Railways (Mr. Graham) in his reference to the Welland canal. That the Welland ship canal has been from its inception an ad-

vantage to western Canada goes without saying; in fact, I cannot understand the mentality of anyone who would dispute that assertion. And if the canal with its low draught is of advantage, having been built mainly for the purpose of improving the exit of western production, surely it follows that an improved canal improves the conditions of that export trade. It is too often the case that after expenditures are undertaken and are fairly well on to completion their merits fade in the sight of those who were very strong in their behalf previous to their inception. However, the merits of the Welland canal are really not in dispute here.

Some two years ago when this issue was before the House I spoke upon it. I have taken the opportunity of reading over what I said then and, as well, what many others in the House contributed to that debate. From my words at that time I have no divergence now; I have no reason to change them at all. Since that occasion it has been my privilege to visit western Canada, and at the point which of all points would perhaps be the strongest in its insistence upon the immediate completion of the road I spoke, and, whether with acceptability or not, I certainly spoke with entire frankness on this question; and from the statement which I made in Melfort last fall I also have no divergence to urge at the present time.

The question as to the resolution itself affords no difficulty in view of the action of the government. I do not think—I know I made it very plain in what I said before—that essential branch line construction can be said to be new enterprises at all out of keeping with the resolution which then passed if given priority to the completion of this road, nor do I think that the going on with the Welland canal—which of course in its original inception was decades before the Hudson Bay railway, and which in its present new form was commenced long before the resolution passed—much of the expenditure on which would have been largely lost had construction not been gone on with in the meantime, is in any way a violation of the resolution.

Now, I have been very much interested in the speeches made by one or two hon. members to my left, particularly that of the hon. member for Springfield (Mr. Hoey). I believe in the completion of the road, I believe in it for the reasons given two years ago, among others, because its completion is in the nature of a contractual obligation entered into with settlers who have not only gone in there on the promise of this country, given in the only way that a country can promise anything, but who, having gone in, have made further investments and commitments on the faith of the pledges which they have accepted. The question is merely a question as to when, in justice to Canada's position, that road can be gone on with. I do not believe in any indefinite postponement, and if I could accept—I certainly accept the sincerity of the hon. member for Springfield—if I felt that the idea which he advances was a practical one, I would be prepared to support the carrying out of his request earlier than I otherwise would. If, as he says, a fair trial of the export possibilities of this line could be secured by the completion of it to the bridge at Port Nelson, utilizing that bridge over the artificial island—if that is all that would be essential to give it such a trial as would determine whether or not it was going to be of real use as an export channel—then as far as I am concerned I would be prepared to go pretty far and start pretty early to see that that was done. But I would not want to see this expenditure made, even if the idea of the hon. member for Springfield was right, if afterwards there was no way of utilizing the line and testing the practicability of navigating the straits. I think the government would be well advised to canvass the possibilities of this idea, for, if it is practicable, it seems to me a way would be found for meeting the very urgent demands of western Canada in this respect earlier than otherwise could be done.

I do not listen with very much sympathy to arguments advanced, based on the assumption that in eastern Canada there is an ingrained hostility to this line, merely because it will afford another means of exporting western products without bringing those products through the cities of the east. I have never encountered that prejudice; in fact I have encountered quite the opposite. If I judge eastern Canadian sentiment aright, that sentiment is wholly sympathetic with the Hudson Bay railway once it is demonstrated that the road is really going to be a sound proposition, is really going to be what western Canada hopes it will be—a cheaper outlet for western grain. I know there is a lot of misgiving—and I am afraid the misgiving has increased rather than diminished in recent times—as to whether the anticipations of the west would be realized when the road is completed. It is on account of this misgiving that a considerable body of public opinion is opposed, not at all because of fear that the road would be a success after construction. It is of no value to this country, it does not contribute to unity and good feeling in the least degree, to be attributing, first from one section and then from another, an

antagonism on the part of the majority in the centre to either extremity. If I may be allowed to express my own humble opinion, formed after a considerable number of years of public life, it is this, that a very generous sentiment pervades both the province of Quebec and the province of Ontario as respects the demands of western Canada. Therefore I feel all the more justified in saying that in my opinion there would not be call for very great delay if this House could be convinced, upon proper investigation by those best qualified to undertake it, that a real test of the enterprise could be secured by merely the further investment suggested by the hon. member for Springfield; then I believe the House would be prepared for an early realization of his hopes.

With this addition, not modification, I reaffirm what I stated in the debate two years ago and to the public since.

Motion (Mr. Knox) agreed to.

On motion of Mr. Mackenzie King the House adjourned at 12.50 a.m. (Tuesday).

Tuesday, May 5, 1925

The House met at three o'clock.

BUSINESS OF THE HOUSE

MONDAY SITTINGS

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

That on Monday, the 11th of May, instant, and every Monday thereafter to the end of the session, Government notices of motions and Government orders shall have precedence over all business except questions by members and notices of motions for the production of papers.

Motion agreed to.

ST. JOHN AND QUEBEC RAILWAY

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee at the next sitting of the House to consider the following proposed resolution:

Resolved, that it is expedient to extend the time within which the Saint John and Quebec railway company is to complete the construction and equipment of its line of railway from a point at or near Centreville, in the county of Carleton, to a point at or near Andover, in the county of Victoria, to the thirty-first day of December, 1927, both with respect to the agreement entered into under the authority of section three of The Saint John and Quebec Railway Act, 1916, and also with respect to the subsidy agreement made under the authority of section six of the said act: provided that the said extension shall only be granted with respect to the first named agreement after the consent of His Majesty on behalf of the province of New Brunswick has been obtained.

[Mr. Graham.]

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

POINT PELEE DROWNING DISASTER

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I desire to direct the attention of the Minister of Marine and Fisheries (Mr. Cardin) to the drowning of nine Canadian sailors at point Pelee on lake Erie in a great storm, when their sand ship turned over, as reported in the Toronto Globe, May 4. From that report I take the following:

When your correspondent questioned the life-saving crew at point Pelee life-saving station they stated that their life-saving facilities are utterly inadequate, there being no lookout station, no good binoculars, and a condemned rowboat for the lifeboat, any rescue work being done and taken care of for the most part by the Flossie G., a gas fishing launch.

Will the government order a thorough inquiry into this disaster, the loss of life, and the lack or any proper or adequate life-saving facilities or up-to-date station at this point, and other inland ports on the Great Lakes?

Mr. CARDIN: I shall be very glad indeed to cause inquiries to be made into this disaster and the means to prevent such loss of life in future. I will take all necessary means to cope with the situation.

GRAIN ACT AMENDMENT

On the Orders of the Day:

Mr. O. R. GOULD (Assiniboia): Will the Minister of Trade and Commerce (Mr. Low) inform us whether he has considered the advisability of giving to the Agriculture committee the proposed amendments to the Grain Act, so that they might consider them in the meantime?

Hon. T. A. LOW (Minister of Trade and Commerce): I have just instructed the clerk to give notice of the resolution.

CANTEEN FUNDS BILL

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved the third reading of Bill No. 32, respecting the disposal of the Canteen Funds.

Motion agreed to and bill read the third time and passed.

CANADA—UNITED STATES CONVENTION

LAKE OF THE WOODS AND RAINY LAKE LEVELS

Right Hon. W. L. MACKENZIE KING (Prime Minister, Secretary of State for Ex-

ternal Affairs) moved that the House go into committee to consider the following proposed resolution:

Resolved, by the House of Commons,—That it is expedient that Parliament do approve of the Convention and Protocol between His Majesty, in respect of the Dominion of Canada, and the United States of America, for regulating the level of the Lake of the Woods, and of identical letters of reference submitting to the International Joint Commission certain questions as to the regulation of the levels of Rainy Lake and other upper waters, laid upon the table of the House on Thursday, the 26th of February, 1925, which was signed at Washington on the twenty-fourth day of February, one thousand nine hundred and twenty-five, and which was signed on behalf of His Majesty in respect of Canada by the plenipotentiary therein named, and that this House do approve of the same.

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

Mr. MEIGHEN: I made some comments on this matter the other day when it was first introduced. I would like the government to explain what alterations have been made; why the protocol at the end; and generally what has been the cause of the many years of delay that have occurred, holding the matter unsettled until this time.

Mr. STEWART (Argenteuil): The matter is settled on the identical lines proposed by an order in council passed by the government of my right hon. friend (Mr. Meighen) in 1921. The delay since that date was largely occasioned by the action of the state of Minnesota, who were raising objections of one kind and another, principally urging the objection that it would be well to include Rainy lake and the upper lake levels, and that matter might be settled. We have contended, I think in line with the action of the former government, that the lake of the Woods question be settled first and that, as is provided before in the treaty, the matter of the upper lake levels be a matter of inquiry before the commission. Some attempt was made at one time to ask us to bind ourselves to accept the finding of the commission. My right hon. friend will notice that that has not been done. It is identical, without a change in any particular, so far as I am aware, with the arrangement that was proposed for the consummation of a treaty under the order in council of 1921. The delay was occasioned, as I stated before, by the action of representatives of the state of Minnesota, but they finally agreed to the treaty as it was presented, and it was ratified by congress. It remains for our ratification to put it into effect.

Mr. MEIGHEN: I understand, then, that Governor Preus' contentions have been abandoned in so far as they conflict with the original lines of settlement?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: I also understand that the question of the upper lakes remains just where it always was, a subject for submission to the International Joint Commission without any commitment at all whether we accept or whether they accept. If I remember correctly, Governor Preus and Mr. Backus both were insistent upon the land owners affected in the lower lake regions sharing in some of the damages which would result from the upper lake control. This is one of the contentions, then, that have been abandoned by Governor Preus and the state of Minnesota?

Mr. STEWART (Argenteuil): Governor Preus never pressed that point with us. What he did press with respect to damage was that there should be an arrangement as regards damage in the upper lakes. The difficulty was that he was trying to get a commitment of the governments to compensation for such damages as might accrue in the upper lakes after the finding of the commission. I am not sure whether that contention was put forward prior to 1922 or not, but the whole difficulty was the question of the upper lakes and the damages resulting there. My right hon. friend will remember that Mr. Backus was very heavily interested in the upper lakes as regards his own property, and it was really the question of the upper lakes which delayed the whole thing. We would not agree, stating that we stood on the former ground; that we would not accept in advance the finding of the commission, but that we would let the matter go before the commission and abide by the result of that commission and the decision arrived at by the government.

Mr. MEIGHEN: There is really nothing at variance with the original finding of the royal commission and the order in council authorizing the execution of the treaty in pursuance thereof?

Mr. STEWART (Argenteuil): No.

Mr. MEIGHEN: I congratulate the government on adhering loyally to the wise lines laid down by their predecessors in this case.

Resolution reported.

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

That a message be sent to the Senate informing their Honours that this House has adopted the above resolu-

tion and requesting that their Honours will unite with this House in approving the above mentioned convention and protocol, and that the clerk will carry the said message to the Senate.

Motion agreed to.

PENSION ACT AMENDMENT

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved that the House go into committee on Bill No. 70, to amend the Pension Act.

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

On section 1—Disabilities in respect of which pensions claimed.

Mr. CLARK: I think the minister was asked whether this new clause is the same as the clause which was introduced in the bill of last year?

Mr. BELAND: This is a new provision. The reason for it is to make the clause clearer. In some cases the disability which is pensionable makes its appearance one, two or three years after discharge, although it can be related to an injury or a disease that was incurred during service. The change is made in order to make it clearer that if the injury or disease was incurred during service, the disability which is related to it, though it might make its appearance long after discharge, would be pensionable. If my hon. friend will read the amendment—

Mr. CLARK: I have read it. I will be glad if the minister will give us an example of how the pension can be different under the new clause from what it was under the old. I cannot see how the new clause is capable of any different interpretation.

Mr. BELAND: It has been so claimed by the Board of Pension Commissioners, that if a strict interpretation of the clause is adhered to, some cases may arise in which the pension will not be awarded, whilst with the present amendment it will be perfectly clear that the injury or disease resulting in disability will make the disability pensionable when they are related to each other. I think myself the clause is clearer as it reads now. It will do away with any possibility of doubt, and that is the only object they have in view.

Mr. ARTHURS: If the minister would point out to the committee the different changes between the present bill and the bill of last year, that would facilitate matters.

Mr. BELAND: My intention was to do that, and I shall be glad to comply with my hon. frend's request, as the several clauses are called. The most important clauses were submitted to the House last year.

Mr. ROSS (Kingston): Has the minister any idea of the number of cases in which pensions have been refused through a strict interpretation of the act?

Mr. BELAND: I have no particular case in mind at the present time, but had I given any thought to that question I might have been able to cite some instances in which such a situation might arise. If my hon. friend would apply his acumen to the clause as it is now amended and to the section as it previously stood he would see that in the present case the language is clearer and that there is no possibility of misinterpretation. Disability might make its appearance two or three years after discharge and be related to service overseas although such disability was not apparent at the date of discharge. As the clause now reads it provides that if the injury or disease resulting in disability was incurred during military service then the disability is pensionable. That suggestion was made by the board to render the section clearer. Though they agreed that they had not interpreted it differently so far, they pointed out that the strict interpretation of the act as it stood before might lead in some cases to the refusal of pension when the disability had made its appearance long after discharge.

Mr. CHURCH: The amendment to section 1 does not go far enough; there are a large number of cases which it does not cover at all. Hundreds of men to-day, as the minister no doubt knows, are not one hundred per cent efficient, and this inefficiency is beyond any question traceable to service overseas. A great many men after their return worked a month or even a year or two and then found themselves disabled so far as any efficiency for civil pursuits was concerned, and under section 1 as now amended a large number of these cases will be barred out. Indeed, there are men whose disability arose from their war service who were not taken care of under the section as it originally stood and who even now will be left out of consideration. There should be a much more liberal interpretation of the intention of the clause. I know of a soldier who died in Winnipeg a short time ago to whom a pension had been refused, although he had served four years in the war, and his people had not enough money to bring him home for burial in Toronto in my own constituency. This man's sickness developed after the war, but there was no doubt whatever

that it was due to his service overseas. Such men are dying in thousands; every month there are hundreds of deaths occurring among those returned men who have been denied proper consideration through an illiberal interpretation of the act. The estimates for this department are five million less than a year ago. These men will not live forever; and I think that the time has come now for more generous treatment of our veterans. These men are getting up in years and they are unable to work 365 days in the year; and they have their families to keep. There are some of our Canadians as well, men who were brought up in this country, who went overseas early in the war, in their anxiety to get into active service, and joined the British forces, and now they are unable to get any pension, either from the British government or from the government of Canada and do not come under any existing legislation.

Mr. POWER: Did I understand the hon. gentleman to say that there were Canadians by birth who enlisted in the British forces and who did not get any pension?

Mr. CHURCH: Yes, I have in mind at the moment particularly the case of Colonel Young, of Kingston, who is well known to the hon. gentleman, I have no doubt. That soldier went and enlisted in the British forces, and when he applied for a pension he could not get it. Those of our veterans who are unable to get any consideration when in distress are now obliged to apply to the cities for relief. There occurs to my mind at the moment one case, a soldier named Taylor, in which I had some correspondence with the minister: a pension was refused this man who lives in the riding of my hon. friend from South Toronto (Mr. Sheard). He has been writing to the board for months without any satisfaction and was receiving assistance through the city. The authorities claim that his sickness was not due to service overseas. With all due respect to the minister, I do think that there should be some broad rule to cover all these cases. When application is made to the minister he says he can do nothing that is not laid down by the act; and after a lot of time is spent in correspondence with the board they take the same attitude. The result is that the city has to come to the relief of these men. The amendment to the act, I repeat, does not go far enough.

Mr. MEIGHEN: Can the minister tell us who drafted the clause as it stands? Was it drafted in the Justice department?

Mr. BELAND: I think it was submitted by the secretary of the board.

Mr. MEIGHEN: I prefer the drafting in the old clause; it is simpler and at the same time more perspicuous. I am doubtful as to the wisdom of leaving out the words "attributable to." According to the present wording of the clause, the pension is payable if the injury or disease or aggravation thereof resulting in disability "was incurred during such military service." The old wording was less circuitous, and the words "attributable to" were used. It seems to me that the disability might be attributable to military service although it was not actually incurred during such service; I do not know whether it is or not, but that is just possible. I would suggest that we make it read "attributable to or incurred during such military service."

Mr. BELAND: I see the point. My intention was to move that we strike out in certain clauses the words "attributable to", which appear in some other sections. The idea is to carry out what has been designated by the soldiers generally as the insurance principle. The moment disability is incurred during military service by a man who was in a theatre of war, it is equivalent to disability attributable to military service. The word "incurred" covers everything. When the disability is "incurred" during military service, it may or may not be "attributable to" service, but it is covered by the word "incurred". It is a much more comprehensive word and the words "attributable to" are quite unnecessary, the word "incurred" covering everything.

Mr. MANION: As the section was worded last year, to the ordinary reader it would appear to have a wider interpretation than in its present form. Is there any narrowing of the application of this provision by leaving out the words "attributable to"?

Mr. BELAND: I have no objection to inserting the words "attributable to", but they are entirely superfluous in the opinion of the pension board.

Mr. MANION: To the ordinary reader there would appear to be very many unnecessary words and phrases in our legislation, and I do not think the minister need trouble himself on the score of the words "attributable to" being superfluous. They might just as well be reinstated.

Mr. BELAND: Yes.

Mr. CLARK: Mr. Chairman, it seems to me that if there is any possibility of the

interpretation of the section being narrowed the words "attributable to" should be left in. Certainly the phrase "attributable to or incurred" during military service would from the legal point of view, broaden the interpretation, and therefore the retention of the words "attributable to" cannot do any harm. If the section is passed in its present form, a strict interpretation might exclude a pension for any injury which did not appear until years after a man's discharge. Therefore I think if the minister has no objection—and he says he has none—these words might well be reinstated.

Mr. CALDWELL: Mr. Chairman, I can see where the section might be restricted or it might be enlarged. For instance, under the old act I believe if a man suffered a disability while on leave it was not "attributable to" service; under this section it would be. On the other hand, if tuberculosis appeared one or two years after discharge, the cause of it might be very readily traced back to his military service, and in this case the omission of the words might have a restrictive effect on the interpretation of the clause. Personally I should like to see the words "attributable to" put in again, for that reason. I do not think it will work any hardship to anyone. There was a time when the clause read "attributable to his military service as such." I always objected to the last two words. They were struck out on one occasion, later they were reinstated, and then later still they were again struck out. I think those words "as such" did work mischief. To my mind the words "attributable to" should be retained for the reasons I have already stated.

Mr. BLACK (Yukon): It seems to me that the omission of the words "attributable to" of necessity narrows the application of the section. A man might be gassed on service, apparently recover, and be discharged as uninjured, but later on, as the hon. member for Victoria and Carleton (Mr. Caldwell) said, tuberculosis might appear. That is a disability "attributable to" the injury "incurred" on service. The injury "incurred" on service is the gassing, it is not the tuberculosis; but the tuberculosis is the disability "attributable to" the injury, the gassing, incurred on service. So I do not think you can leave out the words "attributable to" without narrowing the application of the section.

Mr. BELAND: Of course, I respect my hon. friend's opinion. In the example he has just given the disability is due to tuberculosis, caused by an injury or disease which was incurred during military service.

Mr. BLACK (Yukon): But it was not "incurred."

Mr. BELAND: I should like to have just one case indicated where the words "attributable to" would be necessary or useful. I do not think a single case can be cited. However, as I have said, I have no objection to leaving the words in. In the case cited by my hon. friend, the disability makes its appearance, let us say, two years after service. It is the disability which is pensionable, not the injury or the disease. Now, was that disability caused by an injury or disease which was "incurred" during service? It can be not "attributable to" service.

Mr. MANION: The word "caused" is not in the clause.

Mr. BELAND: Resulting from.

Mr. CALDWELL: Have there not been many cases of men who have been discharged as A No. 1 and who later made application for pension because their disability developed later and was attributable to service, but was not apparent on discharge? I think if we pass this clause as it stands those men would be absolutely cut out. I think the minister himself knows a number of such cases.

Mr. BELAND: There are undoubtedly a number of cases in which the disability made its appearance long after discharge, but this disability was found to be resulting from an injury—

Mr. CALDWELL: "Attributable to"; and those words have been stressed repeatedly by the pension board.

Mr. BELAND: My hon. friend, if I may say so, does not remember exactly what has taken place. It is not the disability attributable to military service that is considered, it is the injury of disease resulting in disability. Now the disability makes its appearance, we will say, years after discharge, and is found to be the result of injury or disease which was incurred during service. This word "incurred" makes the clause a good deal wider than the words "attributable to," because the man may have incurred that injury or disease whilst he was absolutely outside the ranks, he might have been on leave, he might have been playing football or baseball and suffered an accident. Well, his injury would not be considered as "attributable to" military service, but it certainly would be considered as having been "incurred" during military service.

So I submit the word "incurred" is a good deal wider than "attributable to," and of necessity comprises the latter.

Mr. CALDWELL: If the clause is made to read, "was attributable to or incurred during such military service" it would have a much wider interpretation.

Mr. HARRIS: If this clause passes in its present form, with the words "incurred during such military service," the scope of the act will be considerably narrowed. I have in mind the case of a man who came back from overseas and was passed as physically fit, sound in every way; but after being on his farm for a year he had to take hospital treatment, and last year he was nine months out of the twelve in hospital. He certainly is not physically fit now, but if the clause remains as it is I do not suppose there would be any possibility of his receiving consideration. I suggest that both phrases should be included.

Mr. MANION: The question is whether the two phrases or only one should be included. Certainly the two would be stronger than the one. Since the minister indicates that it would not make any difference from his standpoint, I suggest that the words "attributable to or" be included.

Mr. BELAND: In order to meet the wishes of hon. members I would move that after the word "was" on line 16 the words "attributable to or" be inserted, so that it will read:

—when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made was attributable to or incurred during such military service.

Personally I do not see that it enlarges the provision in any way, but I am willing to have it in.

Amendment agreed to and section as amended agreed to.

On section 2—Improper conduct.

Mr. BELAND: This provision was in the bill of last year. The first part of section 2 is merely a reproduction of the act as it is to-day. The only new provision is paragraph (c). It provides that in the case of any venereal disease contracted prior to service and aggravated during service in a theatre of actual war, pension shall be awarded for the whole disability, but there shall be no increase of pension afterwards.

Mr. POWER: If the disease is contracted on service and causes death, is there any pension to the dependents?

Mr. BELAND: No.

Mr. POWER: I do not see why we should make the distinction. You give pension to the man while living if he contracts this disease on service, but you do not give it to the poor unfortunates he leaves behind if he dies.

Mr. CALDWELL: Is this clause not identical with the clause in the bill that passed this House last year?

Mr. BELAND: I think so.

Mr. ROSS (Kingston): From the minister's first remarks in regard to clause 1, it would seem that the pension commissioners were experiencing some qualms of conscience and were willing to widen out the provisions of the act, but now we find that on the contrary they are trying to contract. In paragraph (a) it is provided that the commission "may", when the applicant is in a dependent condition, award such pension. It seems to me the word "shall" should be used, to make it imperative. With regard to what the hon. member (Mr. Power) has just said, there is a distinction between the two classes. In one case the man has been treated and is supposed to be cured, but service brings back the trouble; in the other he incurs the disease during service.

Mr. POWER: I do not quite understand that.

Mr. BELAND: Paragraphs (a) and (b) are not new; they have been on the statute book for a number of years. As to the new paragraph (c), it is broader than the old one; it uses the word "shall"—imperative.

Section agreed to.

On section 3—Children of pensioner classes 1-5.

Mr. BELAND: This clause was in the bill of last year. It is to extend the provision of the former act under which pensions are awarded to the children of pensioners in classes one to five when the pensioners die of a disability or disease which is not pensionable or which is not their war disability. Let me give an example: A man who is pensioned 100 per cent on account of amputations is killed by lightning. In ordinary circumstances, in classes one to five, his dependents would not be pensionable, but in this case the dependents would be pensionable. In other words, the death is not related to service at all, but as he is a high-disability pensioner we make a provision in the law that his dependents shall be pensionable. That provision existed for five years in the original

act passed in 1919. In 1924, this House provided for an extension of that provision for five years, but that provision was defeated last year in the Senate. We are re-introducing it this year.

Mr. CLARK: This section applies only to high disability pensions, 80 to 100 per cent?

Mr. BELAND: Yes.

Mr. CLARK: There are many cases where women have had the care of a husband for a period of five years, the care becoming greater all the time, and if a man dies at any time after the period of five years, whether his death was due to contagious disease or any other disease not attributable to service, if his death occurred only one day after, the widow would not get a pension; but under this section she would?

Mr. BELAND: That is right.

Section agreed to.

On section 4—Pension in accord with extent of disability.

Mr. BELAND: This is a new section. The first part is the same as has been provided in clause 25 of the Pension Act almost from its origin, but we make an exception for tuberculous cases. The awarding of the pension has been left in all cases to the Board of Pension Commissioners, and in exercising that discretion they have based themselves upon a certain table of disabilities, but here we are providing specifically for a certain class of pensioners, that is, the tuberculous pensioners. It will be seen that subsection (3) provides:

> Pensions for disability resulting from pulmonary tuberculosis, when during the treatment of a member of the forces the presence of tubercle bacilli has been discovered in the sputum or it has been proved that the disease is moderately advanced and clinically active, shall be awarded and continued as follows:—

Then it gives, first, the case of the man who saw service in a theatre of actual war and who incurred tuberculosis there. He is to be pensioned for two years at 100 per cent without any possible reduction. Then there is another class of tuberculosis pensioners, those who contracted the disease during service, but who did not see service in a theatre of actual war.

Mr. CALDWELL: Just at that point, does not subsection 3 (b) of section 4 apply only to aggravation in the case of those who did not see service in a theatre of actual war?

Mr. BELAND: No, it applies to all.

[Mr. Béland.]

Mr. CALDWELL: It does not say so. Would the minister read subsection 3 (b)?

Mr. MANION: May I suggest, Mr. Chairman, though I do not like to put you to any extra work, that in view of the complicated nature of the clauses, it would make it much more simple if they were read in advance.

The CHAIRMAN: Has each member an underlined copy of the bill?

Mr. MANION: Yes, but one cannot read the clause and follow the minister's explanation at the same time.

The CHAIRMAN: I will read section 4, taking it up subsection by subsection.

Mr. BELAND: I think it will be sufficient, Mr. Chairman, if you start at the underlined sections, which are new.

Subsections 1 and 2 of section 4 agreed to.

On subsection 3 (a)—Pensions for pulmonary tuberculosis.

Mr. CLARK: Is there any change from the present law in this section except that the pension shall be continued without reduction for a period of two years?

Mr. BELAND: There is no such provision in the act to-day.

Mr. CLARK: But pensions are awarded in such cases under the law as it stands to-day.

Mr. BELAND: No, there is no such law to-day. This is a new clause. I may say, however, that it is the practice.

Mr. MANION: This makes it statutory.

Mr. BELAND: Yes.

Mr. CLARK: Under what authority can the Board of Pension Commissioners award pensions in such cases unless there is some authority for it in the Pension Act?

Mr. BELAND: Well, it is very seldom we hear complaints of the generosity of the pension board.

Mr. CLARK: No, I am only suggesting—

Mr. BELAND: I quite understand my hon. friend; I was just joking for the moment. The board has in practice awarded a pension of 100 per cent to tuberculosis cases which were moderately active in the case of those who saw service in France or England, and pension has been awarded in such cases for

a period of two years without reduction. If I mistake not that was a recommendation of a former parliamentary committee, but whether of last year or of the year before I am not certain. As my hon. friend is aware, this class of cases has been discussed many times in parliamentary committees, and the recommendation at one time or another was made that tuberculosis cases should be pensioned at 100 per cent for two years without reduction. That has been the practice of the board, and this will make it statutory.

4 p.m.

Mr. CLARK: As I understand it, there is a provision in the old act for awarding pensions to the class of cases mentioned in this section, but the change that this section brings into effect is that the pension shall be continued now by statutory authority without reduction for a period of two years?

Mr. BELAND: Yes.

Mr. CALDWELL: I have got the bearing of the subsection I referred to since the chairman has read the section. It provides that the man who saw service in a theatre of actual war shall be paid 100 per cent pension for tuberculosis if there was no aggravation, while the man who did not see service in a theatre of actual war, though he gets a pension of 100 per cent if the tuberculosis was incurred even during the other part of his service, gets only 90 per cent if there was no aggravation that might have been caused through service.

Mr. BELAND: That is right.

Mr. CALDWELL: There are two wise provisions here which were not in the old act. One is that the pension shall continue at the full rate, 100 or 90 per cent as the case may be, for two years. The other very wise provision is that the pension shall not be reduced by more than twenty per cent at any one time, and that these reductions shall not be nearer to each other than six months, which means that the pension will not be cut off all at once, but, that the man will have a gradual chance to re-establish himself.

Subsection 3 (a) agreed to.

On subsection 3 (b).

Mr. CLARK: Is not this case covered by the preceding subsection 3 (a)? This reads, "In the case of a member of the forces who did not serve in a theatre of actual war whose disease was aggravated during military service—

Mr. CALDWELL: There is nothing for aggravation, just attributable to or incurred during service. Would the minister explain the meaning of that last clause; that the provisions of this subsection shall not apply if the disease manifested itself within a period of three months after enlistment?

Mr. BELAND: It leaves it in the discretion of the board, in a case where the disease made its appearance during the first three months after enlistment, to decide the amount of the pension. In such a case in all probability the disease would be pre-existing. Of course he may be pensioned 100 per cent for all we know. If the disease develops within three months, he may be awarded a pension of only 50 or 70 or 80 per cent, at the board's discretion.

Mr. CALDWELL: If he contracts a disease within three months after enlistment he may be pensioned only for aggravation?

Mr. BELAND: That is right, if he had not served in a theatre of actual war.

Mr. CALDWELL: I do not know that I would like to agree to that.

Mr. BELAND: The board would consider the case, and if the disease develops during service he would be pensioned in any case.

Mr. CALDWELL: I have no great objection.

Subsection 3 (b) agreed to.

Subsection (4)—When no deduction from pension. Agreed to.

Section 4 agreed to.

On section 5, subsection (3) (a)—Final payment in cases of disability between 5 and 9 and 10 and 14 per cent.

Mr. CALDWELL: In case the pensioner takes the final payment, later becomes stranded, and is in need of medical attention, of course, if his disability is increased, he is entitled to a reconsideration by the board and a readjustment of his pension. But if his disability is not increased, is he entitled to free treatment at any military hospital?

Mr. BELAND: Yes, if he requires treatment.

Mr. CALDWELL: Even if his disability is not increased?

Mr. BELAND: Yes.

Paragraph (a) agreed to.

On section 5, subsection (3) (b)—Pension after award of final payment.

Mr. MANION: The latter clause of this paragraph reads:

Provided that the deductions from future payments of pension shall not exceed fifty per cent of the pension payable.

Ultimately he wipes out the final payment, but temporarily they cannot take more than fifty per cent of the pension off.

Mr. BELAND: That is right.

Mr. CALDWELL: Under the old act they simply withheld payment until the initial payment had been absorbed?

Mr. BELAND: Yes.

Mr. ROSS (Kingston): I think it is a petty thing to make a provision that the disability must be increased by five per cent. I do not know how any medical man can say in such cases what five per cent means. I think those words should be stricken out, and the section should simply say "if the disability be increased." A man has a great deal of difficulty in getting back at all. In fact, I am not altogether in favour of this provision in regard to final payment. I think if a man has a disability at any time he should be paid, even if it is two per cent, and he should not come under any provision as to final payment, because he has too much trouble getting back. He has to go to some medical officer and get him to say that he is in a worse condition than when he was given the final payment. The man who examined him at that time perhaps cannot be found. If a man has a disability he should be paid and kept on; there has been too much cutting off. For instance, a man is asked to undergo an operation, and he has to take the operation. If he does not take it he has to get out. I do not say that those are the words, but that is the effect of it.

Mr. CALDWELL: Just for information, is there ever an instance where the pensioner must take final payment whether he elects to take it or not? I never was in favour of the final payment, I do not think it works well for the pensioner. I do not think he should be compelled to take the final payment.

Mr. ROSS (Kingston): No, but suppose he is in this position: That there is a suggestion whispered in his ear that if he does not take it he will have to get out and get nothing, and therefore he takes it. I do not consider it is just. I pass over the other matter, but coming down to the five per cent increase, I do not see how any person can figure it out. The five per cent should be struck out, simply leaving the word "increase." He has a hard enough time to get there at all. I have known cases where they have to chase around the country and give a doctor a fee to have the case reconsidered.

Mr. CALDWELL: I usually find myself in general agreement with the hon. member for Kingston, and I feel he is an authority on these matters, but I must disagree in regard to the five per cent. However, I may be wrong. If this five per cent is cut out and the pension board says to a man, "Your disability is only seven or eight per cent and it does not amount to much," he may get nothing. I think five per cent is about the smallest percentage. If the five per cent provision is cut out I think it would be difficult to work out. I should like to have the view of the hon. member for Kingston on this. I think it is a safeguard to the pensioner, because, if his disability is increased five per cent, the board must consider his case; but if we cut out the five per cent, his disability may increase six or seven per cent, and they may not take him on.

Mr. ROSS (Kingston): I make this suggestion: If we leave the word "increase" only in the section, they would get a pension under this section. If it is two per cent, or five per cent, or ten per cent, there is no pension.

Mr. BELAND: I see the point. Perhaps my hon. friend from Victoria and Carleton (Mr. Caldwell) is not apprised of the point made by the hon. member for Kingston (Mr. Ross). It is true that the appraisal of disability goes by 5 per cent, and the phrase "5 per cent" there is perhaps also superfluous. If we said, for instance:

If subsequent to the award of a final payment it is found that the disability of the member of the forces has increased he shall be restored to pension. . .

That means, as it reads, "by 5 per cent or over." There is no objection at all to making this amendment by striking out the words "by 5 per cent or over," and I move that the clause be amended accordingly.

Amendment agreed to.

Paragraph (b) as amended agreed to.

On section 5, subsection (3) (c)—Final payment offered but election to continue on pension.

Mr. BELAND: This is simply a gift we make to a man who has no disability.

Mr. MANION: But it is a gift in the sense that he has been offered the gift previously.

Mr. BELAND: He has been offered, not a gift, but compensation for a certain disability. He has refused to take the compensation and he has elected to remain on pension. As the months or years go by, this disability disappears entirely and his pension should disappear accordingly. Then, in accordance with the subsection, he may claim the amount that was offered to him at the time that he was still under the disability.

Mr. CALDWELL: I think there was a definite reason for inserting this clause. This was discussed in committee on previous occasions. I know there was a feeling amongst returned men—I am not saying that they were right—who had been offered a final payment and did not accept it, that their pension had been arbitrarily cut off and that it should not have been cut off. This is to prevent anything of that kind. The fact is that it will not amount to very much in money because these payments are small. These final payments are made only for small disabilities.

Mr. BELAND: But there are still a large number of pensioners between 5 and 15 per cent, there are as many as 4,000 still on pension.

Mr. CALDWELL: But many of them will not take final payment. Many of them will be continued for years.

Mr. BELAND: They are now being continued.

Paragraph (c) agreed to.

Section 5 agreed to.

On section 6— Wear and tear of clothing on account of amputation.

Mr. BELAND: I am sure this clause will not lend itself to any objection. It is a new clause for the purpose of carrying out a request that has been made for a long time by amputation cases, that they should have an allowance for wear and tear of clothing. It is putting into the statute the recommendation of the parliamentary committee to provide for an allowance of $54 per annum for leg amputation cases and $22 per annum for arm amputation cases.

Section agreed to.

On section 7—Annual allowance for maintenance of parents.

Mr. BELAND: This is clear in itself.

Section 7 agreed to.

On section 8—Conditions under which pension shall be paid to widows; subsection (1) (a).

Mr. CALDWELL: Would the minister please illustrate what kind of case this would apply to?

Mr. BELAND: Here is the law as it stands to-day and has existed since 1919. It provides that:

> No pension shall be paid to the widow of a pensioner unless she was living with him or was maintained by him or was in the opinion of the commission entitled to be maintained by him at the time of his death and for a reasonable time previously thereto.

Mr. LADNER: In a case of excusable separation or one in which a court of law would pronounce judicial separation, would the opinion of the commission be entirely in their discretion?

Mr. BELAND: This would cover such a case of separation, but in those cases the widow herself must not be responsible at all in the eyes of the law for having lived away from her husband.

Mr. LADNER: Supposing a judicial tribunal had found in favour of the woman for a judicial separation, would the commission have the superior authority to determine otherwise?

Mr. BELAND: I do not think they would exercise that authority.

Mr. LADNER: I have read through this section and the amendment. This sub-clause apparently puts complete autocratic power and discretion into the hands of the commission. I am not going to take up the time of the committee in discussing difficulties and complaints that we have had in the past. This clause is going to have far-reaching effects, and I think it would be better, in the interest of the pensioners, if, in those cases where there can be no difference of opinion, for instance, the case I cited of a judicial separation, the commission should follow the findings of fact. I realize that at this stage it is difficult to make any fundamental changes, but from my individual judgment, based on experience, I raise the objection that it is not wise to place such complete authority in the hands of the commission, by which they may make a finding contrary to the rules of judicial tribunals on questions largely of fact and law such as separation, and so on.

Mr. BLACK (Yukon): Is it the intention now to reconsider cases in which a pension is being paid but in which further payments are being withheld if in the opinion of the

commission the widow was indiscreet, or something of that sort?

Mr. BELAND: Section 33 of the Pension Act as it stands to-day might throw some light on the question which has been raised by my hon. friend (Mr. Ladner). Subsection (4) of section 33 reads:

(4) A woman who has been divorced or legally separated from a member of the forces who has died shall not be entitled to a pension unless she was awarded alimony or an alimentary allowance, in which case she shall be entitled if she is in a dependent condition to the equivalent of the widow's pension or to the equivalent of the alimony or alimentary allowance which was awarded her, whichever is the smaller in amount.

Would that provision meet the case suggested by my hon. friend?

Mr. LADNER: But that provision is repealed by the present section.

Mr. BELAND: No, that subsection is not repealed.

Mr. LADNER: I have not the act before me so that I cannot tell.

Paragraph (a) agreed to.

On section 8, subsection (1) (b).

Mr. BELAND: Some of the subdivisions of this subsection are quite involved and I might perhaps just briefly explain them. Paragraph (i) provides that if the marriage has taken place within one year after discharge, then the widow is pensionable in all cases, if the death is the result of the pensionable disability. Paragraph (ii) provides that if the marriage takes place after the coming into force of this act and the man secures from the Board of Pension Commissioners a certificate that the disability from which he suffers is not likely to result in death, then should he die from that disability the widow is pensionable.

Mr. MANION: Can he ever get such a certificate?

Mr. BELAND: He might. If I had lost a little finger and got a pension, I might go to the board and ask for a certificate that this disability was not likely to result in my death, and they would issue the certificate. But blood poisoning might develop later through an accident of some kind to that finger and I might die, and in that case my widow would be pensionable.

Mr. CALDWELL: But that is an extremely unlikely case. Take the case of an amputated leg.

Mr. BELAND: In that case I would not issue a certificate.

Mr. CALDWELL: The minister does not think that it would be possible for a man with an amputated leg to obtain a certificate that such disability might not result in death?

Mr. BELAND: I would not give such a certificate.

Mr. CALDWELL: So that we may see what value if any there is in the clause, the minister might suggest some case in which the certificate would be given.

Mr. BELAND: Paragraph (iii), I think, covers the point. It provides that in the case of a member of the forces who has married between a period of one year after his discharge and before the coming into force of this act, and who has obtained a certificate showing that any pensionable injury or disease from which he is suffering at the time of marriage would not result in death, the pension shall be allowed the widow.

Mr. CALDWELL: The paragraph says "who has obtained" the certificate. I take it that these words would preclude the possibility of his going to the commission after the coming into force of the act. Would it not mean that he must have secured the certificate before the passing of this legislation?

Mr. BELAND: I do not think so; he may obtain it at any time.

Sub-paragraphs (i), (ii) and (iii) agreed to.

Mr. BELAND: Sub-paragraph (iv) relates to the man who has married between the period of one year after his discharge and the coming into force of this act and who has died of a pensionable disability. That is what we call the "prudent marriage" clause. If it may have been presumed at the time of marriage that no symptoms existed which a reasonably prudent man, making reasonable inquiries, would have known of, and if he could not have known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death, then the pension shall be paid to the widow. This is going one step further.

Mr. LADNER: I have in mind the concrete case of a certain Mrs. McSweyn who married a man with a pensionable disability. At the time of the marriage he had pernicious anaemia although they did not know about it. They lived on for a time and he died. Would she be entitled to a pension under the clause? They made no inquiries, for the simple reason that they suspected nothing; no prudent person is expected to inquire concerning something about which he has no suspicion at all.

The "prudent" clause therefore does not come into operation in this case. But would the clause cover his case, due to service?

Mr. BELAND: I think it would, if any prudent man made reasonable inquiries.

Mr. LADNER: Would that mean going before a doctor prior to the marriage ceremony and having a complete examination on all phases of health?

Mr. BELAND: No, I do not think it would go as far as that. There is nothing in this clause which would entail the calling in of a medical man.

Mr. LADNER: I put these questions because I know they are pertinent to many cases, and I thought the minister was basing the legislation on the experience and advice of the board.

Mr. CALDWELL: On whom will the burden of proof rest? For instance, would the man's medical history sheet with the medical board be taken into account at the time of marriage to decide whether his injury would be liable to cause death? Or would it be up to the widow to prove that his injury was not apparent at the time of marriage? Just what would be the procedure?

Mr. BELAND: Of course, if we referred to the man's own medical documentation it is likely that the pension would be refused. My impression is that the burden of proof, if you choose to call it so, should rest on the widow or her relatives or friends.

Mr. CALDWELL: What would be taken as proof?

Mr. BELAND: The widow would make a claim for a pension—

Mr. CALDWELL: Personally I do not think this provision is of any value, I do not think anyone would ever get a pension under it.

Mr. BELAND: I did not draft this clause, and it is going a long distance, I must say.

Mr. CALDWELL: Theoretically, it is.

Mr. BELAND: Yes. I presume the widow in such a case would file a claim for a pension, she would say under which clause she was claiming, and I suppose it would be for the board to examine all the papers in the man's case, and it would be a matter of correspondence between the widow and the board. Presumably she would have to establish that at the time of her marriage anyone who knew her husband and who made reasonable inquiries could not be aware of a disability which was likely to result in death.

Mr. BOYS: Will the minister state the meaning of this clause? I have read it, reread it and read it yet again, and the more often I read it the more confused I become. It seems to me with its involved language, its first proviso and its second proviso, it is impossible to reach any understandable construction of it. I presume it comes from some definite source, and no doubt the minister has a marginal note which in a few plain and distinct words will illustrate what this is intended to cover. I have really done my best, reading it over and over again, to figure out what relief it is intended to afford, but having done so I cannot reach any conclusion.

Mr. BELAND: I am no lawyer, and if my hon. friend finds it difficult to extricate himself from the maze of this subsection, I must confess that my chances are getting slimmer and slimmer every moment. But here is the recommendation of the parliamentary committee which dealt with this phase of the Pension Act last session:

> That a pension shall be paid in the case of a member of the forces who has married between the period of one year after his discharge and the coming into force of this act, and who has died of a pensionable disability prior to the coming into force of this act when the marriage took place at a time when no symptoms existed from which a reasonably prudent man, making reasonable inquiries, would have known of the existence and the potential seriousness of the injury or disease which ultimately resulted in death.

That is word for word as we have it here. This clause may be absolutely clear in one particular case, where a woman married a man without knowing at all that he was war-disabled, and thought that for all ordinary purposes of life he was 100 per cent fit. She may be in a position to establish that to the satisfaction of the board because other people who knew him thought the same, in which event she might be lucky enough to secure a pension.

Sub-paragraph (iv) agreed to.

On section 8, subsection (1) (c).

Mr. BELAND: The paragraph we have just dealt with covered the case of a man who died before the act came into force; this covers the case of a man who died afterwards. He is married between a date one year after his discharge and the date of the coming into force of this act, and he fails to secure a certificate from the board. On his death his widow is welcome to claim a pension on the ground that when she married him he did not, in the eyes of the

ordinary observer, appear to suffer from any disability which was likely to result in death.

Mr. CALDWELL: The previous paragraph applies to the widow of the man who may have died just previous to the coming into force of this act, and this paragraph applies to the widow of the man who dies after the passing of the act. Is there any sense in them?

Mr. POWER: Does anybody understand what it means?

Mr. BELAND: Mr. Chairman, I understand what it means, but I must point out how enormous are the difficulties in giving effect to the meaning of these paragraphs.

Mr. POWER: Does the minister guarantee that the Board of Pension Commissioners will understand what this legislation means?

Mr. BELAND: They have not been consulted, but I presume they will understand it.

Subsection 1 (c) agreed to.

Section 8 agreed to.

On section 9—Widow of pensioner classes 1 to 5.

Mr. BELAND: This is similar to clause 3. We have these two clauses in order to amend the corresponding clauses in the Pension Act.

Mr. LADNER: In last year's act there was a compassionate allowance in meritorious cases; is that provision in the bill of this year?

Mr. BELAND: It has been in the act since last year.

Mr. LADNER: But the bill was not passed last year, was it?

Mr. BELAND: Yes, it was passed with amendments.

Section agreed to.

On section 10—Pension to widowed mother prospectively dependent.

Mr. BELAND: This is the second very important clause of the bill. As I explained last year, the amount involved if this clause is adopted will be very large—probably $700,000 immediately, and an annual increase of about $50,000.

Mr. LADNER: Will the minister explain the principle of the provision? The amount of money involved is a secondary consideration if it has merit in other respects.

[Mr. Béland.]

Mr. BELAND: Under the act a widowed mother who is a widowed mother at the time of the soldier's death is pensionable as an ordinary widow, with a few limitations. That is, she may have an income up to $240 per year; she may have a house of her own; she may derive, say, $2,000 from a business or occupation, but these things are not taken into account; she receives a pension as a widow of $720 a year. If she has sons or daughters who may be considered as able to contribute to her support, there may be deducted from the pension $10 a month for each child contributing. This has been the provision of the act since 1919.

Mr. CALDWELL: Was there not an amendment to the act to provide that the $10 a month for each child should be deducted from the pension whether the children actually contributed to her support or not?

Mr. BELAND: Yes.

Mr. CALDWELL: That is the law as it now stands?

Mr. BELAND: Yes.

Mr. CALDWELL: Was it in the law in the first place?

Mr. BELAND: No. Now, the prospective dependent widowed mother is one who becomes a dependent widowed mother after the death of the pensioner. If the mother is a widow at the time of the pensioner's death, she comes automatically within the widowed mother's class. If after the man dies of a pensionable disability the mother becomes a dependent widow she is pensionable, under the present law, at the discretion of the board according to her need. If she has an income of $240, it is taken into account; if she earns a substantial income from her occupation, that is taken into account. And, of course, if she has sons and daughters who contribute to her support, that is also considered.

Mr. CALDWELL: And if she earns small wages, is that not also taken into account?

Mr. BELAND: Yes. I am referring to the case of a widowed mother who does not come within the class of widowed mothers provided by the act. Now, if this amendment is adopted, all those mothers that are widowed to-day that are not in the widowed mother class will come automatically into that class, and the financial liability involved in the increase of their pension will be as I have stated.

Mr. LADNER: Is it the purport of the amendment that those coming under this class will not have their earnings or income taken into consideration when the pension is fixed?

Mr. BELAND: That is it. Private income to the extent of $240 per annum will not be considered.

Mr. CALDWELL: But if they are not in a dependent condition they do not get any pension?

Mr. BELAND: No.

Mr. CALDWELL: If they are earning enough to make a living they do not get any pension; none of them do. I never could see any reason why a distinction was made between these classes of widowed mothers, and the reason there will be a large initial payment now is because those coming under this class have been held out of pension although they were not able to make a living for themselves.

Mr. BELAND: The original idea of this widowed mothers clause was to provide for the widowed mother whose son and only means of support went to the front and was killed. Parliament said, these widowed mothers will be considered, with a few limitations, as widows, and their income will not be taken into account in the payment of pension. Now, take the case of a soldier whose father and mother were not dependent upon him. He went to the front, came back disabled and was made a pensioner. He does not contribute toward the support of his mother or of his father; he dies of his pensionable disability; later the father dies and the widow becomes more or less dependent. She has an income of say $240, she has a house of her own, and a good position. If she is of the class of the widowed mother, she will get a pension of $720 a year under this new clause. Under the act of to-day, the board examines whether or not she is in need, and if she is in need they will award a pension to the maximum of 100 per cent. As a matter of fact, a number of these mothers to-day who were not widowed at the time of the man's death receive a full pension because they are in absolutely destitute circumstances, and in the opinion of the board had the man lived he would have contributed substantially to their support—they take that into consideration to-day and come to the help of the woman to the extent of her need. I presented this clause last year, and I want it to pass again now, or I would not have introduced it. But I want the House to know exactly the conditions. It means that this woman will fall automatically into the widowed mother's class and that she will be pensioned as a widowed mother, with the limitations I have stated before, and this will immediately increase the pension bill by $700,000.

Mr. CLARK: Is that $700,000 odd annually.

Mr. BELAND: Yes.

Mr. CLARK: That is not for arrears?

Mr. BELAND: No, to adjust to-day.

Mr. CLARK: That takes into consideration arrears?

Mr. BELAND: It will be paid every year, as long as they live.

Mr. MANION: How much next year, for instance, or two years from now?

Mr. BELAND: Next year it will be the same amount, plus about $50,000.

Mr. CLARK: It is $700,000 odd this year, and next year it will be nearly $800,000.

Mr. BELAND: It will be $700,000, plus an annual increase of $50,000 or thereabouts.

Mr. LADNER: The minister in explaining this clause referred to the case of a widow having a good earning capacity,—perhaps $2,000 a year; she will receive a full pension under this section. But is this clause not framed to include a number of widows who perhaps do not receive remuneration for service? Has the minister the information as to how many widows are not able to earn their living, and who are really meritorious cases, as against the hypothetical case he gives, which is not quite so meritorious. How many meritorious cases would there be in this class?

Mr. BELAND: I am not in a position to say exactly, but there is a large number of mothers who are widows to-day and who are pensioned according to their need only, a sufficiently large number to mean an increase of $700,000 if their present pensions are made equal to that of widowed mothers.

Mr. LADNER: Then why is the legislation placed before the House if it has not real merit behind it?

Mr. BELAND: It is the recommendation of the parliamentary committee.

Mr. LADNER: But for what reason is this change made?

Mr. BELAND: My hon. friend was a member of the committee himself; I did not belong to it last year.

Mr. LADNER: I was not on that committee.

Mr. BOYS: I can quite understand the pension being increased to the extent of the maintenance she had been receiving, but it is difficult to realize why it should be increased more than that. If the soldier had lived, and had been maintaining his mother to the extent of four or five hundred dollars, and then he dies, the mother is deprived of that amount, and one can well understand why the country might in that case provide a pension to the extent of the maintenance she had been receiving. But where a mother had been receiving maintenance to the extent of one or two hundred dollars, we will say, and the soldier dies, that is the extent of her deprivation, and then under this clause all of a sudden a pension very much larger than the amount she had been receiving from the soldier is given her, and just at the moment I do not see why that should be done, although I am entirely sympathetic to legislation of this kind. Perhaps the minister would explain why it is that her position should be so much better financially by reason of the death of her son.

Mr. ARTHURS: One reason why this clause was passed by the committee was to take care of cases where there was a young man going to school. Not only was he not supporting his parents, but they were supporting him, giving him an education. He gets killed over there, and subsequent to his death the father dies, and by force of circumstance or otherwise the widow becomes dependent.

Mr. BOYS: I do not think this applies to cases of that kind at all, because the closing words of the section are, "and who in the opinion of the commission would have been wholly or to a substantial extent maintained by a member of the forces had he not died." The case my hon. friend mentions is a case where the soldier was contributing no maintenance at all, but this clause applies to cases where in the opinion of the commission there had been maintenance either wholly or to a substantial extent by the soldier.

Mr. POWER: Had he lived he would have supported his widowed mother. His mother, so to speak, invested a certain sum of money in his education in the hope that he would look after her in later years.

May I say with respect to this prospective widowed mother, that for several years after coming into this House I invariably had one or two resolutions on the order paper with reference to this very important question, and year after year the widowed mother's condition was somewhat improved. Under the first act, 1918, I think, the widowed mother had to show her dependent condition, and her pension was reduced if she was earning any money at all. We had the spectacle of elderly ladies being obliged to go out and work as scrubwomen, and if they earned ten or twelve or fifteen dollars a month at that. that amount was deducted from the pension awarded them by the government. Then later on, widowed mothers who applied for pension on the ground that they were dependent were told: You have so many children; go look to your children for support. It was left to the discretion of the board as to what the children were to contribute, and finally, after considerable discussion, parliament decided that each child should be assessed $10, I think it was. Later on, the widowed mother was told: You have a house. But, it very often occurs that a person has a house but has hardly the means to buy food with which to keep body and soul together within that house. And so another improvement was made. And so on, and so forth. Then the distinction was made between earnings and income. I remember on one occasion when this matter was debated, Mr. Nickle, the present Attorney General of Ontario, said that we were drawing a very fine distinction between earnings and income. He said: "Take the case of a widowed mother who owns a house and decides to rent rooms. If she rents rooms and calls the place a boarding house, and cleans up the rooms a bit, that might be called earnings, but if she simply rents the rooms, and perhaps lives elsewhere, that would be income." He said it was a mighty fine distinction to draw. I thought so myself at the time, and then for two years in succession I brought a resolution before the House asking that widowed mothers generally be treated as ordinary widows and be given a pension of right, just as the ordinary widow would. It is quite true that in some cases widowed mothers who have incomes might obtain a pension that perhaps the country should not give to them. But we would save ourselves an awful lot of trouble, and save the Board of Pension Commissioners a lot of trouble investigating into all the circumstances, and we would also save a lot of trouble to very many meritorious cases, if we simply accepted the broad principle that the widowed mother of a soldier killed at the front was entitled to a pension of right, and let it go at that. That resolution was carried

5 p.m.

in the House two years in succession, but never translated into legislation.

Mr. BOYS: I frankly say that I did not appreciate the prospective feature of this section.

Section agreed to.

On section 11—Defence against cancellation of pension: re-instatement of pension.

Mr. BELAND: This is a new section, never introduced in the House before. Hon. gentlemen will readily grasp the meaning of it. The clause in the act to-day reads as follows:

The pension of any female pensioner who is found to be a common prostitute, or who openly lives with any man in the relationship of man and wife without being married to him shall be suspended, discontinued or cancelled.

Some cases of hardship have been brought to my attention, one in particular from the western provinces, of which there was some mention in the House last year. This is to provide that a pension shall not be cancelled or discontinued without an opportunity being given to a pensioner to present to the commission her side of the case.

Mr. POWER: Suppose a case in which the pensioner finds that the commission has not given her a proper opportunity to explain, has she an appeal?

Mr. BELAND: No, she would not have an appeal.

Mr. POWER: In this case we do not state how the commission is to advise the pensioner that the pension is to be cancelled. We simply say that the pensioner will obtain some kind of a hearing. We do not instruct the commission as to what kind of a hearing or what notice is to be given. We are not very much better off than we were before. The commission will simply say , "Yes, we wrote a letter saying we were going to cut off the pension and ten days after we cut off the pension".

Mr. BELAND: I think the hon. member is taking an extreme view of the situation. Up to the present time a number of pensions have been cancelled in the case of widows, presumably on account of immoral conduct on the part of the pensioner, presumably without opportunity being afforded to show that the information which had been furnished to the board was erroneous.

Mr. POWER: Does the minister seriously tell me that the Board of Pension Commissioners would deliberately cancel the pension of a woman on any such grounds as those, without previously giving her a hearing? If the board have done that in the past, they should have been fired long ago.

Mr. CALDWELL: It has been done.

Mr. POWER: They have no business to do it. It is a most serious thing, and they should have made it their business to make a thorough investigation into the matter.

Mr. LADNER: I suggest to the minister that the mere right of appearing before the commission is not really a protection to the persons concerned, unless they have also the right of appeal; because I have seen cases where the commission have made up their minds; you may submit a great deal of evidence, but frequently they do not show much of a disposition to change their minds. Considering the fact that it is the whole pension and is of serious consequence to the appellant, what objection would there be to allowing an appeal to the appeal board in a case of that kind?

Mr. BELAND: I think one step at a time is sufficient. This is a step in the right direction. Since the Pension Act was passed in 1919, it has been substantially amended in the years 1920, 1921, 1922, 1923, 1924 and again this year. I think we have advanced in this direction as far as we should go. The representations which have been made to me go only to the extent of providing that the widow who is to be deprived of her pension on account of immoral conduct should be offered an opportunity of presenting her case before the pension is cancelled. No claim has been made for any further amendment. I understand my hon. friend's suggestion is that an appeal should be provided in these cases, but no appeal is provided for such cases at all now. I do not say that it will not come in another session, but I suggest that we take this step this year and see how it works.

Mr. ROSS (Kingston): Is there any arrangement made in regard to the children of the pensioner?

Mr. BEAUBIEN: It places the widow in the same position as she was before, except that her pension will not be cut off until an appeal has been made.

Mr. BELAND: That is correct—until her defence is presented to the board.

Mr. CALDWELL: I hardly think that latter statement is correct. This act simply gives her an opportunity to present a case, but if she refuses to present any defence, her pension might be cut off. Is there any time

limit given in which she may present her case?

Mr. BELAND: I do not think so.

Mr. CALDWELL: I think there should be a time limit.

Mr. POWER: It is very hard to make a time limit.

Mr. CALDWELL: I think a number of occurrences under the Pension Act have demonstrated to us the inadvisability of giving absolute discretion to the pension board in all these matters, and in this case there should be a time limit—six or twelve months, or whatever time the committee think necessary.

Mr. LADNER: She is given an opportunity.

Mr. POWER: If we provide a time limit the commissioners would immediately seize on that time limit, and if she came in a few minutes late she would be out of court.

Mr. CALDWELL: The board writes her a letter, and if she does not come back with her statement, it is left to the pension board to say that she should have come back in two or three weeks.

Mr. POWER: She can go to see a good member of parliament, like my hon. friend from Victoria and Carleton (Mr. Caldwell).

Mr. ROSS (Kingston): I ask the minister what arrangement the board had made in the case of children of the woman who loses her pension?

Mr. BELAND: I do not think the children would be affected by it.

Mr. POWER: The children always get it.

Mr. BELAND: If the pension is paid on account of the children, the guardian will take care of the children.

Mr. ROSS (Kingston): Then they should come under the law of the province.

Mr. BELAND: No, there is a provision in the Pension Act for those cases.

Mr. CALDWELL: The point I raise in regard to the time limit I think is well taken I would like to see the amendment made effective. I think possibly we should go a step further than what has been the practice of the board. This amendment never should have been necessary. It is a very severe indictment of the practice of the pension board that it should be necessary for this parliament to pass an amendment of this kind, because under British law a person is presumed to be innocent until he is proved guilty; he should always be given an opportunity to put up a defence. The apparent need for this amendment is the direct statement that this has not been the case in times past; I should, therefore, like to see some definite time given to these people to put in a defence.

Mr. BELAND: In line 7 there are the words "may direct." We might add:

And a delay of three months for such purpose shall be deemed to be reasonable.

Mr. CALDWELL: I do not think that is long enough, as it might be difficult for a woman to assemble her evidence in three months. It would be possible for her to enter a defence in that time, if that is what is meant, and then if her case were not proven at the end of three months, I presume her pension would be cut off while her case was under consideration.

Mr. BOYS: I would favour a much shorter period than three months. If there were a case at all where a woman would want to be prompt in her defence, it would be one where an accusation of this kind was made against her. It stands to reason that if a notice of this kind were sent to her accusing her of such conduct and intimating that her pension was going to be cut off, two weeks or a month at the outside would be ample time for her to notify the commission that she wanted to be heard. The clause does not say that she must get in her defence within any reasonable time; it states simply that she must be given an opportunity. I remember bringing to the attention of the minister a case in my town where a woman had had her pension actually cut off without any notice, and without an interview or investigation from her standpoint. Later on when the facts were gone into, the charges which had been made against her by somebody unfriendly to her were found to be without foundation and she was reinstated. It is contrary, as my hon. friend, (Mr. Caldwell) says, to British justice that a person should be deemed to be guilty of conduct of this kind without a hearing. I understand this clause provides that before she can be deprived of her pension she must be given notice. The only thing I would suggest, if that were necessary, would be that the notice should be sent by registered letter to the address where she is receiving her pension cheques from month to month. But I think that can be left to the commission and they will no doubt send the notice there. If the woman is receiving her cheques regularly, she will get the notice. In such a case she should act promptly and one month should be ample time

in which to file her defence. If she is not sufficiently interested in her pension and in defending her reputation to file her defence within a month, I would never blame the pension board for cutting her off.

Mr. ROBINSON: I would think this is right the way it stands. I was on the committee, and the way it stands, that the pension cannot be cancelled until she has entered a defence, would be in her favour.

Mr. BOYS: It says: "until an opportunity has been given."

Mr. ROBINSON: Yes. She has to be given an opportunity. Why limit her to a month, or any time? The cancellation cannot be made until she has had that opportunity.

Mr. MANION: Has the minister any information as to the number of women who have had their pensions cut off without a hearing prior to the present time. Are there any such?

Mr. BELAND: I think only two cases were brought to my attention.

Mr. MANION: Under this provision no such injustice will be done to a woman as to cut her pension off without a hearing?

Mr. BELAND: No.

Mr. BLACK (Yukon): The cases in which this clause would be brought into play must be very exceptional and the cases in which the pension board would cancel pensions would be very flagrant. With the amendment as now offered, the improvement is so great that no time limit is necessary. The amendment as it stands now might very properly be left with the pension board, and parliament at a later session may amend it if it is found to be abused.

Mr. STEWART (Leeds): The last provision states that any pension which has been suspended, discontinued or cancelled, may be reinstated. If there is anything in the nature of a hardship or if a widow thinks she has not had proper opportunity, that provision gives her a chance to have her pension reinstated. I think it is better without putting in any time limit at all.

Mr. LADNER: There is a weakness in the last proviso in that there is no obligation on the commission to give a reasonable opportunity for the appearance of the person concerned. They have their own authority in that connection. It is presumed, of course, that they would hear the person concerned.

Mr. STEWART (Leeds): It must be presumed that the pension board will act as reasonable men and carry out the spirit of the act.

Mr. CALDWELL: Supposing a woman's pension has been previously cancelled and she can prove that she is not guilty, it is in the discretion of the commission whether they will reinstate her pension or not. If the woman can prove her case, there should be no discretion about restoring her pension.

Mr. BELAND: It is very difficult to go to that extent. The Board of Pension Commissioners would have to examine and weigh the evidence which is brought before them and if they consider that the defence against the accusation brought against the woman is not sufficiently weighty, they may suspend the pension. The second proviso is perhaps superfluous, but I do not think it can work any injustice, nor do I think it is any reflection upon the board.

Mr. MANION: This brings up a question raised in the House last year, and I remember putting myself on record in regard to it. It should be with a great deal of hesitancy that the Board of Pension Commissioners or any board of a like nature should be placed in the position of a morality squad looking into the character of pensioners or any other group of people. Last year the case came up of a man having his pension discontinued because of boot-legging. This case was brought up by the hon. member for Kingston (Mr. Ross). Personally, I think the pension board should act very slowly about judging the character or morals of any pensioner in this country. Unless for a very flagrant breach of the ethics of life, no board should be placed in a position where a crank or a number of cranks on that board could have the right to rule out the pension of somebody or of the dependents of somebody, whose morals we did not look into when we took him overseas. I hope the minister will discourage in every possible way he can the judging of morals of pensioners unless the breach is very flagrant.

Section 11 agreed to.

On section 12—Additional pension to dependents.

Mr. BELAND: This is only to do for the mother of any ex-imperial or ex-allied officer with pre-war Canadian domicile what is done for the mother of the officer who served in the Canadian expeditionary forces.

Section 12 agreed to.

On section 13—New schedules.

Mr. CALDWELL: This is to incorporate permanently the bonus into the pension as was done last year in the act which passed this House but which failed to become law?

Mr. BELAND: Yes.

Mr. LADNER: Are there any changes in the schedules?

Mr. BELAND: No; the schedules are the same as those of last year.

Section 13 agreed to.

On section 14—Term.

Mr. BELAND: This provides for the prolongation of the term of the commissioners other than the chairman. Two commissioners were appointed for three years and two for two years, and their term would expire this year if we did not re-appoint them. The number of appeals before the board is still very large and we shall require all the commissioners we have now.

Section 14 and section 15 agreed to.

On section 16—Appeals.

Mr. CLARK: What is the effect of the amendment?

Mr. BELAND: The amendment is merely to bring this section into conformity with an earlier section. We have amended section 11 of the act, and in lines 17 and 18 we have changed the former clause in some respects to make it clearer. This is to conform with the amendment to that section.

Section 16 agreed to.

On section 17—Operation of certain provisions and review of cases.

Mr. BELAND: This is to provide for the retroactive operation of certain sections of the act.

Section 17 agreed to.

On section 18—Hearing by member of board.

Mr. BELAND: This section is intended merely to make a correction in the French version, in which there was a mistake. It does not affect the English version.

Section 18 agreed to.

Mr. BLACK (Yukon): Is there no provision in the bill whereby the findings of the board in regard to the percentage of disability may be appealed from? I thought that was to be one of the provisions of the bill. The board might find a man's disability to be 50 per cent, and as things stand now he can only put up with that. Could there not be some provision to enable him to appeal on that question?

Mr. BELAND: Last year there was a provision for appeals on assessment but this was not passed by the Senate. At that time I had not the experience which I have since gained. The number of appeals on entitlement is so large at the present time that I do not think it would be wise to provide for any appeal on assessment. The number of appeals would naturally be very large; any man would be open to appeal his appraisal of disability. It would cost him nothing; it would be only a matter of a move on the part of the pensioner to have his assessment made 40 per cent instead of 30, or 30 instead of 20, or 70 instead of 50 as the case might be. I have consulted the members of the Board of Appeal on this point and have asked their opinion regarding the desirability of appeals on assessment, and they have sent me a memorandum in this connection which has confirmed me in the opinion that it would not be wise at present to provide for such appeals. We have 44,000 disability pensioners every one of whom, except those who are 100 per cent disabled, would be eligible for appeal if they chose to take advantage of such a provision. Of necessity therefore the number of appeals would run into tens of thousands. Moreover, the fixing of disability on re-examination would be subject to appeal as well. So that my hon. friend will realize that the Board of Appeal would be so overwhelmed that it would be well nigh impossible for them to consider appeals on assessment for a year and a half or at least a year. The number of entitlement appeals now entered is 4,738; of these, 1,567 have been ruled upon as being not within the board's jurisdiction; 1,060 have been heard, and 2,111 remain still to be dealt with. During the period of January 1, 1925, to March 31, 1925, 1,005 individuals filed appeals with the board. The board works assiduously, hearing on an average 102 cases per month, which I think is rather large in view of the fact that it must hear the representative of the soldier and examine into his documents which generally are voluminous. The board have to weigh all the evidence before they reach a decision. So, at the rate of 102 cases per month it would take them at least one year and ten months to dispose of all those entitlement cases. I am afraid it would clog the wheels of the appeal board.

if we were to allow appeals on assessment. I think the time will come when we will have to allow such appeals, or at least appeals from final awards. We do not have final awards as yet, but I think we should have them. They have them in England and in the United States. These final awards cover what it is a decided pensioner should be paid during the rest of his life whether his disability remains stationary or not. We have what are known as permanent cases, but there is no finality about them, because should the disability increase the amount of pension may be increased after one, two or three years; and should the disability decrease the amount of pension may be reduced. I think it should be in order before very long to provide for final awards. There would be some objection taken by the returned men, but generally speaking the great majority of them would agree that the final award system should be adopted in Canada. If we allowed appeals on assessment, as I explained to the delegation which met me on this subject, we may have as many as 50,000 appeals during one year, and it is the opinion of the board that the provision might lead to frivolous appeals. Of course we would admit that entitlement appeals should be heard first. I am advised that we may expect appeals at the rate of from 50 to 75 per month for an indefinite period. So I cannot see just now that it would be possible to effectively deal with appeals on assessments.

Mr. CALDWELL: Would it not be possible—I think the minister admits that it will be necessary in the future, if not now—to set up a separate tribunal to try appeals on assessment? When he says that every pensioner, except 100 per cent disability cases, would have the right to appeal, I think he has forgotten section 15 of the act that passed this House last session. It placed certain restrictions on the right to appeal on assessment, and is as follows:

15. Subsection one of section eleven of chapter sixty-two of the statutes of 1923, is repealed and the following is substituted therefor:

(1) Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any decision of the said Board of Pension Commissioners, provided that in cases of assessment appeals the appellant shall be required (a) to obtain the consent of an official soldiers' adviser before presenting his appeal; (b) to present certificates of examination from two independent qualified medical practitioners in the form of statutory declarations on approved forms which shall contain an estimate of the percentage of disability, and (c) that the estimated percentage of disability as set out in the certificates provided for shall indicate the appellant's condition to be at least two classes higher than he has been assessed by the Board of Pension Commissioners.

This was threshed out very thoroughly by the committee last session, and we thought that by inserting this restriction we would, to use a common expression, "put them over the sieve"—the trivial ones would be sorted out, and only the deserving cases would come to the attention of the appeal board. There is one other point in connection with the request or an appeal on assessment. It is a point I supported very strongly last session, and I still support it—that if the pension board admit attributability under the present act, and only give a 5 per cent pension, the man is out of court, although he might be entitled to 40 per cent or even more. There have been probably more hardships in respect to this matter than there have been in respect to the absolute cutting off of pensions. The minister would do well to consider it seriously before he shuts the door. He has always been inclined to do justice to returned men in the matter of pension, but I cannot help thinking there should be a right of appeal here, even if it is necessary to set up a separate tribunal to hear appeals on matters of assessment.

Mr. LADNER: A man at some point distant from Ottawa may be found upon medical examination to be entitled to a certain disability, but when the return is made to the central office at Ottawa the decision of the local medical authorities is overruled or a decreased pension is awarded, with resulting injustice to the pensioner. It seems to me that in these cases the pensioner should have the right to appeal to a higher tribunal; he should not be entirely subject to the arbitrary and dictatorial authority of the officials in Ottawa who do not know his case, who have not the knowledge and information they should have to enable them to make a wise decision. The minister would be well advised to consider the right of that class of case to an appeal to the Federal Appeal Board.

Mr. MANION: Last year there was a good deal of discussion in the other House as to the expenditure involved in the pension bill and in the amendments proposed, and in that connection there were many contradictory reports. Has the minister the official figures as to how much the amendments will cost the country?

Mr. BELAND: There are approximate figures covering the most important changes. For instance, the amendment with regard to marriage after the appearance of disability will involve the expenditure of $396,000 annually.

Mr. CALDWELL: I suggest that the amount involved should be given for each amendment. The minister should be pretty sure of the figures, and if he has not got them now I suggest that he have the committee rise in order that he may get them. They may mean the life or death of this bill.

Mr. BELAND: I have requested the Board of Pension Commissioners to supply me with that information in connection with the different amendments. In respect to many of the clauses of the bill they admit their inability to estimate closely the expenditure to be incurred. They say that $83,000 is the approximate amount to be paid out in respect of the number of parent beneficiaries under section 7. As to section 8, with regard to marriage after the appearance of disability, the immediate expenditure involved is $396,000 per annum.

Mr. MANION: These are the figures the minister gave us a moment ago?

Mr. BELAND: Yes. Under section 10, which deals with widowed mothers prospectively dependent, the liability to be incurred by adjusting to the higher rate the pensions now in force is estimated at $700,000 per annum. That is a conservative figure; I have been informed that it may be $800,000. The annual increase in the future is estimated at $48,000. Some financial liability is also involved in other sections, but the board say they are not in a position to estimate exactly what that expenditure will be.

Mr. CALDWELL: They would be relatively small anyway?

Mr. BELAND: Yes. The hon. member (Mr. Manion) made an inquiry last year as to the question of bonus, and I have secured exact figures in this regard. The making of the bonus permanent does not increase the liability, because the bonus is paid now. The present amount of bonus is $7,948,330.

Mr. CALDWELL: What are the total pension payments this year?

Mr. BELAND: They are $34,000,000.

Mr. MANION: According to the figures the minister has given, the total amount involved in the proposed changes is about $1,179,000, plus a few smaller figures which, I suppose, would not amount to very much. I wanted to have these figures because it is important we should have some official indication of what the cost will be. We have dealt this afternoon with a bill of nine pages, and I am sure the minister will agree that that is very good work. I want to emphasize once again the fact that there has been no obstruction or no evidence of any desire to hold up this bill. I am sure the minister agrees with me

Mr. BELAND: I agree with my hon. friend.

Mr. MANION: There has been no disposition to hold up this bill or the other bills. I call attention to this because some unfair statements were made in that connection. I believe most of us have no other desire than to deal with these bills affecting the soldiers in an absolutely fair and non-partisan manner. I say that of the minister as well as of ourselves. I do not think that we should try to use it as a political club at all, and I wanted to be put on record in this matter once again. I am very pleased to know that the minister absolutely agrees with that statement.

Schedule A agreed to.

Mr. GOULD: I wish to introduce something which may be a little foreign to the bill, but if I am in order now—

Mr. CHAIRMAN: It cannot be introduced here. We are now on the schedules.

Mr. BELAND: I understand my hon. friend wants to make a few remarks.

Mr. GOULD: I do not know at what other point I could very well introduce them. I wanted to ask the minister's opinion upon this question: A soldier, a transient passing through a municipality, becomes ill and is taken off the train. He is attended to by a local doctor, who prescribes that he should immediately go to the hospital. The soldier goes to the hospital and is taken care of there, but he dies and is buried. The hospital, of course, desires to know where it is going to get its remuneration from, and it threatens action against the municipality from which this soldier was directed by the local doctor. What is the solution of a problem of that nature? I wish to say that I have a case in point in my own municipality, and I wondered if the minister has ever had a similar case before him, and if provision has been made for cases of that kind. I argue that the hospital authorities should not go without their remuneration, and that the municipality is not liable. This man served overseas, and he was without means. I think some provision should be made to take care of such cases.

Mr. BELAND: I would only say it is a matter of attributability or occurrence during service. If the soldier who is suddenly taken ill and is taken to the hospital suffers from a disease which can be related to his war service, the government bears the whole charge of his treatment, and also of his burial if he is in destitute circumstances. In the other case, I do not know who is responsible, but surely not the government, and I am only concerned about the government at the present time.

Mr. CALDWELL: Would he come under the Last Post fund?

Mr. BELAND: I was just coming to that. If he is in destitute circumstances, the Last Post fund provides for his burial expenses.

Mr. GOULD: May I take it, then, that the government recommends this municipality to take this case up direct with the government?

Mr. BELAND: They may bring in the case at any time.

On schedule B.

Mr. CLARK: I would like to ask a question at this point that I should have asked earlier, with regard to widowed mothers. I have in mind the case of a widowed mother who unquestionably was supported by her son. His whole assigned pay went to the widowed mother. His wife was living at the same time, but she did not get his assigned pay. That man dies and the pension is paid to the widow. Now prior to the introduction of these amendments that widowed mother could not receive a pension except a very small amount, I have forgotten just how much—

Mr. BELAND: $180.

Mr. CLARK: —because of the fact that another pension had been awarded. Is a case like that covered by these amendments? Can that widowed mother who was unquestionably supported by the son receive a pension?

Mr. BELAND: I am sorry to say that is not covered by the present amendments. The act in this regard remains what it was.

Schedule B agreed to.

Bill reported, read the third time and passed.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

TORONTO HARBOUR COMMISSIONERS

The House in committee on Bill No. 42, to amend the Toronto Harbour Commissioners Act, 1911.—Mr. Church—Mr. Gordon in the chair.

Mr. CAHILL: I think the hon. member in charge of the bill should explain what it is about.

Mr. CHURCH: The object of this bill is to amend the original powers of the commission ratified by this parliament in 1911 by adding thereto these three sections. At Sunnyside, in the western part of the city between the Humber river to Sunnyside there has been erected on filled in lands a park and playground for the people of the city of Toronto, solely at the expense of the city. No government money has been spent on this project or playground. The amount involved is a little over three million dollars for the boulevard, driveway reclamation and buildings.

There are two parties to this bill; one is the city council, which supplied the money to the harbour commission on the bonds of the harbour commission, guaranteed by the city; so that it is all civic money involved. The government built a breakwater there and made the expenditure for it themselves. I may say that when the act was passed previous to this the people voted on this whole harbour proposition and approved of it. Fifty per cent of the money was expended for the park and boulevard scheme by the harbour commission and fifty per cent by the city. There are twelve miles of waterfront, and the commission bought out and obtained control of this whole waterfront, to be used for the benefit of the public forever. Half of the whole scheme was industrial and half park.

The sole object of the bill is to validate the expenditures of one unit at Sunnyside. The cost of the park and recreation grounds has been paid by the city. The people as I said, voted on the project and approved of it. This bill was presented to the city council and passed unanimously by that body. The Private Bills committee went into the whole matter and passed the bill unanimously.

Mr. LAPOINTE: According to the law the harbour commissioners are under the supervision and control of the Department of

Marine and Fisheries. Has this bill been submitted to the Department of Marine and Fisheries, and has it been approved of?

Mr. MEIGHEN: The hon. member knows bills are never submitted to the departments. They would be referred at the request, I presume, of the minister of the appropriate department to the appropriate committee. I think that has been done in this case.

Mr. LAPOINTE: My right hon. friend knows all bills concerning harbour commissions are public bills introduced by the Minister of Marine and Fisheries, and I see by the annotation that this is an amendment to chapter 26 of the statutes of 1911, which is a public statute. This is a private bill purporting to amend a public bill. I do not say that there is anything wrong about it, but I think it should at least have been submitted to the department under which all harbour commissions come.

Mr. CHURCH: Might I explain, for the benefit of the minister, that the Department of Marine and Fisheries are consulted only where their work actually is and that is out on the harbour proper, or as affecting navigation. This work is on the shore and it has always belonged to the city. It is all on unimproved land owned by the city. We have filled it in and carried out a nice park scheme. The minister, I think, has been there and has seen the work. The harbour commission was reconstituted in 1911 when the government made an arrangement whereby three commissioners are appointed by the city council and two by the government. The city spends its own money through this harbour board. The Dominion government spends its money outside of the harbour on the local water through the Public Works department. This particular bill is just a validation of what has been done at Sunnyside by the city on its own lands through the harbour commission. The Department of Marine and Fisheries are consulted, and in every case they have given their approval of every bit of the work done in their own field, which is out on the actual waterfront. This is purely a park scheme at Sunnyside west of the exhibition grounds. The land and the money spent all belong to the city. The whole harbour programme was submitted to the various government departments and the whole scheme has been approved from time to time. They are heartily in favour of it. Sunnyside is a great picnic ground and park centre for the people of Toronto. The reason we come here is to validate to let the government know that we are partners with them in this scheme. Although this has not cost the government a single cent, we are here to let the government know what we are and have been doing ourselves on the city end of it.

Mr. CAHILL: I would suggest that the hon. member allow the bill to stand until the Minister of Marine and Fisheries (Mr. Cardin) is in his place. It seems unreasonable that this bill should be pressed forward tonight. It appears to be a matter pertaining to the harbour commission of Toronto and the minister is not present. This comes under the Harbour Commissioners Act. If the bill is all right, there is no doubt the minister would approve it. If it is not all right, it should not be rushed through without notice.

Mr. MEIGHEN: The minister must know what the system is. There is someone in the department whose business it is to watch any legislation, private or otherwise, affecting that department. This applies everywhere. Certainly, the minister, having learned of this bill, would have taken steps to have had objection taken to it before the committee if the department had any objection. It is hardly fair to ask the hon. member to postpone his bill because the minister is not here. It is not his fault that the minister is not here. On its face, the bill does not appear to be one in which the Department of Marine and Fisheries would be concerned, for the reason that it affects such portion of the harbour commission's work as is carried on wholly out of Toronto money and not out of public money at all.

Mr. CAHILL: Is the public money and Toronto money not put into the same fund?

Mr. MEIGHEN: No.

Sir HENRY DRAYTON: I am familiar with this undertaking. This particular phase of the work is something which was entered upon as a civic improvement. Some people in Toronto think—and they are in the majority at the present time—it is better that it should be handled through a commission instead of through the city council, and the city council spends its money in connection with this Sunnyside improvement through the harbour board, the council having confidence in the harbour board. The reason why this bill is brought into this House is very simple. The commissioners have gone ahead as they have, thinking they had every legal right to do it, acting, as they were, as trustees for the city and spending municipal money, and

have done the work. The works are there. The amusements go on, the harbour board collecting the revenues and rentals. The question was raised whether they had any legal right to do this. What we are doing here is merely legalizing what is already done, and we are doing it, as hon. gentlemen will see, in connection with a matter which has absolutely nothing to do with Dominion activities. The harbour board are chosen, not because they are the harbour board, but because they are a body of men in whom the municipality has confidence, and their actions in running this park have absolutely nothing to do with their jurisdiction as a harbour board. But as they are the creation of the Dominion, if there be any question as to their legal powers, this is the proper place to come.

Mr. MURDOCK: My hon. friend might have noticed in a very prominent paper the other day great criticism of the government for the money which had been and is now being expended in assisting to create and maintain an amusement park at Sunnyside for the people of Toronto. My hon. friend may be entirely right in saying that no federal money is being spent on this project, but my judgment has always been that this is a part of the general harbour improvement scheme of the city of Toronto and that a fair proportion of federal money has been expended from the Humber down to the old fort.

Sir HENRY DRAYTON: What paper was that? I should like to have a look at it.

Mr. MURDOCK: My recollection is that it was the Montreal Gazette, or the Standard.

Sir HENRY DRAYTON: That would be the Standard.

Mr. MURDOCK: It is a constant criticism. I am not complaining, but my understanding is—and I think if my hon. friend inquires a little more closely, he will find I am right—that some public money has been spent there in filling up the property.

Sir HENRY DRAYTON: The federal aid has not been sufficient to look after the harbour itself. The city has spent, prior to the present time, more money than the government has, and city moneys are going into the harbour proper which ought to be entirely a government expense. As regards government money, the government contract is not even implemented. As a result of concessions of land and the undertaking of responsibility by the municipalities, there is the government's straight contract that a bridge is to be built to the island, making that island useful. This has not been done. Instead of the government having spent more money in Toronto than Toronto is entitled to for harbour improvements, the fact is that the government has not implemented its promises. The contract still stands, and the fact is that, instead of spending too little money, if anything Toronto has spent far too much.

Mr. MURDOCK: Is it not a fact that there is just one Toronto harbour improvement scheme running from the Humber to Scarborough and including the entire shore line of Toronto, and that the works at Sunnyside are a part of that improvement scheme?

Sir HENRY DRAYTON: If my hon. friend thinks that a merry-go-round is part of a harbour improvement, he is quite right; but nobody except my hon. friend would ever think that a merry-go-round, switch-backs and bathing houses are part of a harbour improvement. This is something which is superadded entirely by the municipality at its own expense. The only reason it is connected with the harbour matter is, as I have already explained, that the harbour board is a body of men doing work in the vicinity whom the city council think, are better able to look after this work than the city itself.

Mr. CHURCH: Since confederation the government has assumed responsibility for the shore protection of the harbour at Toronto, and off Sunnyside erected a breakwater. The city paid the entire cost of the park and filling. The government has spent, since 1867, only $6,000,000 or $7,000,000 on Toronto harbour and the revenue from concessions in this park annually is between $90,000 and $100,000.

Some legal advisers were of opinion that it was not necessary to come to parliament for an amendment such as is here proposed to the Harbour Act of 1911; they thought that there was power enough in the act to enable the commissioners to go on with the work. But some doubt was raised a short time ago and it was thought better to apply for an amendment to clear up any doubt in the matter. The words in the statute of 1911 enabled the commissioners to "hold, develop, maintain and improve" the place and it was thought that in these four words they had the power to go ahead. This bill is simply declaratory; the object is to make the act perfectly clear. The breakwater at Sunnyside was constructed by the government itself, but there was nothing behind the breakwater at all; and so far as the actual amusement park is concerned the newspaper quoted is entirely in error; the government has not contributed a cent to its creation and upkeep.

Sunnyside beach is situated at the extreme west end of the city and extends along the lake shore from the Humber river on the west to Wilson avenue on the east, a distance of one and a half miles. It contains about 120 acres of land all of which has been reclaimed. Through this area runs a boulevard drive fifty feet wide and a lake shore promenade twenty-four feet wide. The bathing pavilion is a concrete structure four hundred feet by one hundred and twelve feet and has accommodation for 7,700 bathers at one time. The amusement resort contains restaurants and refreshment booths, band stands, dodgem, frolic, whip, old mill, Sunnyside racer, aero swing, merry-go-round, shooting gallery, games, guess weighing machines, putting green and baseball diamond. All concessions are under the control of the harbour commissioners, they are leased to concessionaires at a nominal rental plus a percentage of the gross receipts. With the exception of the bathing pavilion, all the concessions are operated by the lessees who have already expended upwards of $500,000 on amusement devices and buildings. Nearly four millions have been spent on park and driveway, filling and boulevard.

Altogether, this is one of the finest amusement parks to be found in any city of the same size on the continent. The people voted on the whole harbour bill, and as I have already said this amendment to the 1911 act is only declaratory legislation; it is merely intended to clear up the intention of the statute of 1911. I hope that there will be no difficulty about passing the bill. The lands were filled in before the breakwater was constructed as a whole. The commissioners get no salary. They were working to get control of the waterfront for the public.

Mr. POWER: Who paid for the ground which is now used for amusements. Was it paid for with the money of the federal government?

Mr. CHURCH: It was the city's money. The government paid for the breakwater.

Mr. POWER: Well, do I understand that the breakwater was paid for with federal money?

An hon. MEMBER: Yes.

Mr. POWER: I understand further that the merry-go-round and the other amusements situated behind the breakwater could not have been put up unless the breakwater had previously been built. If I am not right in that statement I wish to be corrected. Am I wrong?

[Mr. Church.]

Mr. SHEARD: Yes. As this is in my riding perhaps I might be permitted to say a word about it. The government and the city collectively constructed the breakwater and the city did the filling in behind. That is how the thing started. The city then went on filling in and improving the land and they spent a lot of money; the government did not spend any money at all on this. The money was taken out of the pockets of the taxpayers of the city—money that was wasted. Why, even the tops of a farm were brought down to make a top dressing for a Parkdale boulevard and bathing ground, and when they got it finished it was inhabited principally by Jews. The Jews occupied it and even put a sign up, something to this effect, "After the war we gave you Palestine; for Heaven's sake let us have Sunnyside." The city found itself in possession of a large acreage of ground but it had not the power either to lease or to sell it or to establish any permanent improvement. All that this bill contemplates and all it asks is to validate the city in the power to lease this property made by the filling in of the land behind the breakwater, and to establish thereon amusements suitable to a summer resort; and to loan money to any corporation or company that might operate there. That is all there is to it. Not a dollar of government money has gone into the park to which this bill relates. We simply ask that the old act be so amended that the city shall have that power; otherwise the place will remain a grass plot. They cannot get anyone to occupy it because they cannot give a lease long enough to make it worth while for people to construct any merry-go-rounds or amusement buildings that are required to make the thing a going concern. There is no harm whatever in the bill; there is no liability on the part of the government, although there is a considerable liability on the part of the local taxpayers. I ask that the bill be passed. The council have agreed on the matter; and although the original bill which my hon. friend brought down was a very serious one they have modified it now, having come to a satisfactory decision among themselves. I think they have produced a bill which is absolutely innocent and as reasonable as we could hope the present council of the city of Toronto could draw up having regard to the taxpayers. Hon. gentlemen need have no hesitation about passing the bill; and the trepidation of my hon. friend (Mr. Power) is, I was going to say, altogether sectional.

Mr. POWER: I think I am entitled to receive the congratulations of the House on having drawn out my hon. friend (Mr. Sheard) who has made an able, lucid explanation of the manner in which the Toronto city council had arranged to settle any disputes that might have arisen over those which took place at Geneva in the League of Nations. The Toronto city council has, I think, dealt with a question which has been disturbing, one might almost say, the peace of nations for several centuries; and it has dealt with that question well: It has placed the Jews in one of the best parts of Toronto. But I do not think that this answers all the objections which I was about to raise, one of which was that this amusement park could not have been constructed had not the federal government first furnished the funds for a breakwater behind which the city filled in and laid out playgrounds. As to the other objection, I may be mistaken in this portion of my remarks when I say that I understand that the harbour commissioners of Toronto receive a certain remuneration for their services.

Some hon. MEMBERS: No.

Mr. POWER: Do they give their services gratuitously?

Mr. SHEARD: They all do, but I do not know whether the chairman gets anything or not. But he is here; you can ask him.

Mr. POWER: To judge from the work which that hon. gentleman does on behalf of the city of Toronto and Toronto harbour in this House I should think he ought to be handsomely paid. Of course if the commissioners are not paid, my remarks have no bearing on the subject. I was about to object to the harbour commissioners, paid by the federal government, devoting any of their time to collecting money for amusements. But I think my original objection still remains, that the federal government have indirectly, and possibly very directly, contributed largely to a work which, after all, is not in the public interest of the Dominion, that is to say, the placing of a bathing beach for the use of certain well-known and highly respected citizens of Canada residing in the city of Toronto. One of the principal characteristics of those citizens is that they certainly are able to look after themselves financially—usually they take everything in a financial way that is not nailed down, and I do not know just why the other citizens of Canada should be called upon to contribute to their enjoyment.

Mr. HARRIS: Mr. Chairman, in answer to the hon. member for Quebec South (Mr Power), let me say that the whole shore line where this particular breakwater is built was being washed away every season. This work was constructed, in part, by the Dominion government, the estimates being passed in this House in the way that we would vote estimates for work in any other part of the Dominion where the federal government is responsible. Inasmuch as the breakwater was built to protect not only the shore line but also the main line of the old Grand Trunk —now the Canadian National—and the vacant space was there to be filled in, why not put it to some use so that revenue could be derived from it? I do not for one moment think that it is to the credit of the hon. gentleman to cast reflections on honourable men, whether harbour commissioners in the city of Quebec or in the city of Toronto, who many times during each week, year in and year out, give of their services for the benefit of their native towns. If my hon. friend will just glance back over the last ten or twelve years since these harbour commissioners have been giving their services freely for the benefit of their communities—

Mr. POWER: May I ask what reflection I cast on any harbour commissioners?

Mr. HARRIS: If he will bear in mind those harbour commissioners, I think he will agree with me that they are gentlemen of the very highest calibre not only in the city of Quebec but also in the city of Toronto.

Mr. POWER: Mr. Chairman, may I ask—

Mr. HARRIS: Let me say, Mr. Chairman, that at the present time in the city of Toronto the gentlemen of Liberal leanings who are on the harbour commission of that city are, in my opinion, deserving of a great deal of credit not only from the citizens of Toronto but also from the members of the Liberal party who occupy the treasury benches.

Mr. LAPOINTE: Mr. Chairman—

Mr. POWER: Mr. Chairman, I cannot compete with my hon. friend in volume of--

The CHAIRMAN: Order. The Minister of Justice has the floor.

Mr. POWER: I had risen to a point of order, Mr. Chairman, and I appeal to the House.

The CHAIRMAN: Order. The hon. Minister of Justice has the floor at the present time.

Mr. POWER: Mr. Chairman, I appeal to the House, I had risen to a point of order.

The CHAIRMAN: All right, there is a proper way to appeal to the House. The Minister of Justice has the floor.

Mr. POWER: I appeal to the House.

The CHAIRMAN: There is a proper way to appeal to the House. If the hon. member wishes to take that course he may do so. Shall clause 1 carry?

Mr. LAPOINTE: Mr. Chairman, I am sorry if I am responsible for this little storm. I have nothing to say against the principle of the bill, I think the object in view is a good one; but I think it is an unusual course to amend a public bill by way of private legislation. With the understanding that this will not constitute a precedent for the future, I have nothing more to say.

Section agreed to.

On section 2—Playgrounds, Sunnyside.

Mr. CAHILL: Mr. Chairman, what is the meaning of the latter part of this clause with regard to the power of expenditure, "either partly for themselves and partly for the commissioners"? That will not entail any liability on the part of the Dominion as far as their expenditure is concerned?

Sir HENRY DRAYTON: No, it does not form part of that work at all.

Mr. POWER: Mr. Chairman, may I be permitted now to make the remarks which you, in your wisdom or otherwise, decided I could not make a moment ago? I wish to point out to the committee that I had made no reflection whatsoever on the harbour commissioners of Toronto, and therefore the remarks of my hon. friend from East York (Mr. Harris) were entirely uncalled for. I wish also to say that I was on my feet and only desired to interrupt the hon. member for that purpose and for no other.

Mr. DUFF: It seems to me that before this bill was introduced it should have been referred to the Minister of Marine and Fisheries (Mr. Cardin) for consideration.

Mr. RYCKMAN: Mr. Chairman, I may say that the Minister of Marine and Fisheries considered this matter very carefully. A deputation from the city of Toronto waited upon him and were received most courteously, naturally so of course, and they concluded that he thought this request was a very reasonable one.

Section agreed to.

[The Chairman.]

On section 3—Use of lands, amusement areas and so forth.

Mr. MARTELL: Mr. Chairman, do I understand it to be laid down as a principle that no private member can introduce a bill to amend a public statute? It is always done in the legislature of my own province. It does not create any precedent at all.

Mr. MEIGHEN: This is a private bill, not a public bill.

Mr. LAPOINTE: Any private member may introduce a public bill for the purpose, but this is a private bill.

Mr. MARTELL: With all due deference to the hon. Minister of Justice, I submit that a private member may introduce a bill to amend a public statute.

Mr. LAPOINTE: Surely, but he does it by way of a public bill.

Mr. MEIGHEN: I think the hon. member is right; it seems to me this bill should be in public bills and orders. But I do not want to raise the point. I rise to ask where clause 3 is. It is not in the bill here.

The CHAIRMAN: It is in the reprint, which will be found on the file immediately following the original bill.

Section agreed to.

Bill reported, read the third time and passed.

CANADA HIGHWAYS ACT AMENDMENT

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 68, to extend the period of The Canada Highways Act.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

On section 2—Operation extended.

Sir HENRY DRAYTON: I think my hon. friend was to give us some information as to the work yet to be done.

Mr. GRAHAM: When the resolution was before the House I promised the hon. member for West York that I would give him the figures with regard to work under contract yet to be done in Ontario. The following will give that information:

Project No. 4.—Kingston to Brockville, $16,545.20. Percentage of work done, 84 per cent.

Project No. 5.—Brockville to Prescott, $23,804.90. Percentage of work done, 74 per cent.

Project No. 6.—Prescott to Ottawa, $58,000. Percentage of work done, 68 per cent.

Project No. 33.—Ottawa to Pt. Fortune, $120,000. Percentage of work done, 54 per cent.

This expenditure is now being audited. Forty per cent of these amounts will be payable under the act.

Sir HENRY DRAYTON: I think we got most of the other figures on the previous discussion. The minister can assure the committee that no further government commitments are involved; that all that is done is to extend the time for two years?

Mr. GRAHAM: Yes, that is all. It is hoped that at the expiration of the two years all the provinces will have earned the amounts allotted to them under the Highways Act.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

TURTLEFORD

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 69, respecting the construction of a line of railway forming part of the Canadian National railways between Turtleford and a point in township 48, range 12, west of the third meridian, in the province of Saskatchewan.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): As this is the first of the branch lines bills of the session, I think it would be appropriate if the minister would give us a review of the work actually accomplished after the passing of the acts of last session, in the west if not elsewhere, and review the claims of this bill with special reference to the objections raised to it which resulted in its defeat last year in the other House.

Mr. GRAHAM: The information which my right hon. friend asks for was laid on the table at the opening of the session.

Mr. MEIGHEN: Yes, I know; the amount done was about $1,650,000 worth all over Canada. But where was it done, and why was it not possible to get more done?

Mr. GRAHAM: It is not possible to get very much work done the first year after an appropriation is made. I have no information to add to what has already been laid on the table; I did not bring it with me because it is on record. I do not remember just what the objection to this bill was in the upper chamber. This was the most strongly pressed of all the bills that were before the House last year. Last year the bill provided that the lines should run from Turtleford to Hafford, but this year the length of the line has been reduced; for the present it will run only to Meeting lake so that consideration may be given to the question of where the junction point in the main line should be when the line is built from Shellbrook.

There is a difference in this bill from last year's. It provides for the utilization of certain funds now in the bank, which were raised under the sale of securities by the Canadian Northern Saskatchewan Railway, and guaranteed by the Saskatchewan government. In order to release these funds, legislation was necessary by the legislature of the province of Saskatchewan. This legislation has now been passed, and the amount to be voted for this line by this House is less the sum to be appropriated out of those funds. My hon. friend from West York (Sir Henry Drayton) asked me the other day for some information regarding the financing. I will read the memorandum so as to make no mistake in the figures:

> Some years ago the Canadian Northern Railway issued £2,817,000 of 4 per cent debenture stock guaranteed by the province of Saskatchewan. This issue was for the purpose of making good a guarantee by the province of Saskatchewan of securities for the building of certain branch lines to an amount of $15,000 per mile. The average sale price was 96.84. Releases have been made from time to time until to-day there is a balance of $1,202,825.24 in cash deposited in the Canadian Bank of Commerce and held in trust by the treasurer of the province of Saskatchewan on account of the Canadian Northern Railway. The bank pay on this balance 4¼ per cent per annum, which is released to the railway for the purpose of meeting the interest on securities; the amount of securities from which the deposit was derived amounts to $1,242,074. The interest received amounts to $51,120.06 per annum. The amount due on this portion of the securities is $49,682.96, leaving a profit to the railway of $1,437.10.
>
> Neither the province nor the railway derive any benefit from the use of the principal, that amount, as before stated, being used by the Bank of Commerce in the usual banking manner.

In other words, formerly the bank interest allowed was, I think, 3 per cent, but at a later date an arrangement was made with the bank by which through a certain process the railway received 4¼ per cent on the balance of the proceeds of the securities, and the difference between the rate of 4 per cent which the securities bear on their face, and the 4¼ per cent on the cash which the railways get, amounts to $1,437.10.

Sir HENRY DRAYTON: Would the minister be kind enough to read to the House the report of the management on the construction of this line?

Mr. GRAHAM: The memorandum is as follows:

Turtleford S.E., Mile 0-67.	Cost.
Grade now ahead of track—23 miles.	
Proposed in 1925—20 miles grade; 30 miles track..	$ 755,000
Proposed in 1926—24 miles grade; 37 miles track; 67 miles ballast..	1,116,000
	$1,871,000
Less trust funds..	801,000
Balance to be voted..	$1,070,000

It is proposed in 1925 to call for tenders for the grading of 44 miles, stipulating that 20 miles would be completed during the season of 1925 and the balance in the next year; to lay 30 miles of track during 1925 at a cost of $755,000 in the year 1925. In 1926 grading would be completed, and it proposed to lay the track and ballast the same and generally complete the line to Mile 67.

The 23 miles of grading now completed was started in 1920 and completed in 1921. Beyond this, no other work has been done on the line.

This 67 miles is part of the Turtleford-Hafford line as submitted and passed by the House of Commons on 27th June, 1923, and 16th May, 1924, and in both cases thrown out by the Senate.

The district through which the line runs is generally rolling, with timber in places of small sized poplar in bluffs with prairie openings. It is largely a mixed farming area, but a considerable portion of the land is susceptible to wheat raising. The land is mostly taken up and there is considerable development, particularly in the vicinity of Meeting lake, or approximately half-way between Turtleford and Hafford.

The justification for this line is that there is a large number of settlers in its vicinity now such a distance from railway facilities that the road haul on their products is so excessive that it is almost prohibitive.

It is estimated that this line will produce on an average 1,400,000 bushels of grain each year, besides 500 cars of freight in and outbound, consisting of live stock, coal, lumber and merchandise. About 32 miles on the average would be saved the farmers in their road haul on the 1,400,000 bushels of grain, which it is expected this district will produce annually, and if this is taken as being worth ¾ cent per bushel per mile hauled, it would make an annual saving of $336,000 to them for haul on their grain alone. There is invested at present $207,200 on the right of way and grade, which is earning nothing. The business obtained from this line will mostly be subject to long haul, and thus contribute considerable business to other lines of the system.

Although to complete the line to Mile 67, it is estimated, will cost $1,871,000 arrangements have now been made with the Provincial government of Saskatchewan to consent to the release of $801,000 of trust funds which had been previously raised for the purpose of construction of lines in the province of Saskatchewan. This makes the amount required to be voted by parliament $1,070,000.

This is one of the lines which had been started previously, 23 miles having been graded in 1920-1921. This bill is not only to complete that line, which is already graded, but to complete the balance of the 67 miles to Meeting lake.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

[Sir Henry Drayton.]

On section 1—Power to construct and complete line described in schedule.

Sir HENRY DRAYTON: I think it would help us all if we were to get some idea from the minister as to really what will be done this year, whether this work will go on this year or what is to happen. Very often we make far better progress by not having too big a programme. The programme
9 p.m. the country had already before it in building branch lines, evidently from the results shown, and I think everybody knows it, was altogether too big a programme. Now, is this work to be gone on with this year? If it is, what other work is to be displaced? How much money is to be spent altogether this year? What commitments are we to look forward to in connection with our branch line construction this year? Generally, cannot we get some business idea of the situation?

Mr. GRAHAM: I will read again to my hon. friend what it is proposed to do on this line.

Sir HENRY DRAYTON: We have had that information on every single project brought down to this House, and if we had carried out what was told the members of this House in 1923, and again in 1924, we would have had completed lines by this time. It is all very well to bring these statements from official sources and say that these things will be done, but we all know they will not. There is a limit to the work the system can look after, and what I wanted was to see if we cannot get some solid, definite idea of what work will be done, and what finance ought to be supplied in connection with the whole branch lines programme.

Mr. GRAHAM: I am bringing these bills down early in order that some branch line construction can be done this year, and the sooner we get them through both Houses—and this is why I am urging so strongly that we make as rapid progress as possible—the greater the amount of work that can be done; but if the bills do not get through till July, then by the time the company gets around to start construction, we probably will interfere with the farmers in their labour requirements. There is a good deal of friction as to the labour for the railways and the labour required on the farms, and if we have to come here every year for every branch line the autumn is soon frittered away without much being done. But if we can get our short programme for this year through in a week or two, the company

would practically have the summer to make a start. Heretofore they have not had a very great length of time to work. The bills, so far as I know at the present time, are all before us, and hon. members can see by looking at the order paper what the programme is and what is intended to be done. I give the House the full information as given to me, as to what the companies expect to do, but they will have to get a fairly early start in order to accomplish it.

Sir HENRY DRAYTON: I should like to know, if the minister is clear about it, what the company thinks about it and what they intend to do. I think it was in 1923 or 1924 that we heard letters read from the president as to the necessity or advisability of the line; and then officials who had to do with these lines were examined, and we found they were absolutely and entirely against them. Instead of wanting to build the lines they advised against them. I refer to the people on the ground. The hon. gentleman will remember the case.

Mr. GRAHAM: I do not remember the case.

Sir HENRY DRAYTON: The Radville case. All you have to do is to turn up the examination of these officials. There are other cases besides that one. There is no question about the facts.

Mr. MEIGHEN: And the Kamloops case.

Mr. GRAHAM: I do not remember it, I am sure.

Sir HENRY DRAYTON: If the minister says that the proper locating engineers have gone over the line, have agreed to it and say that it is going on and that it is proper, I do not want to hold it up. But I do not want—as happened in another case—to find out that the House had acted in error, when we thought we were acting on what the gentlemen in charge of the work considered should be done, but what was found out afterwards to be absolutely wrong.

Mr. GRAHAM: I am not going over that matter again, but I am anxious the contractor should get at the work early. This line has been looked over not once, but twice or three times. This is the third time the Canadian National board has asked that this line be constructed, and I think I have read a fairly succinct and distinct statement why the board thinks it should be constructed.

Mr. MEIGHEN: Who is the real author of the statement my hon. friend read? Is it Sir Henry Thornton, or some other official?

Mr. GRAHAM: It was sent to me by the officials of the Canadian National board, accompanying a copy of the bill itself. I suppose it is from the engineers; it is from prominent officials of the railway, giving the reasons for this construction.

Mr. MEIGHEN: The statement which was read, as far as I could catch it, did not contain any definite, final recommendation. It did not say that the board felt it would be a paying line, and that they were anxious to have it built. Last year this House was placed in a position which was wholly unmerited. We had read to us on the authority of the president a recommendation that this line should be constructed, and that this line and the other line should be built. Then the officers of the president went before committees elsewhere and took stands in no way consistent with the general recommendation which had been made.

Mr. CAHILL: Where was that?

Mr. MEIGHEN: Just a few feet from here. They gave a clear intimation that they did not feel the road should be built.

Mr. GRAHAM: Who?

Sir HENRY DRAYTON: The locating engineers.

Mr. MEIGHEN: Yes, Mr. Macleod and Mr. Ruel also.

Mr. GRAHAM: He is not the manager of the road.

Mr. MEIGHEN: He is pretty close to the president.

Mr. GRAHAM: He knows something about the affairs of the railway.

Mr. MEIGHEN: We appeared before others who were dealing with the question as giving very little attention to the legislation which we passed, because we acted too hastily on a general recommendation. I think the minister would find some interesting evidence if he would read the statements made by officers of the company before a committee of the other House.

Mr. DAVIES: Having the honour of representing the constituency through which the proposed railway will run, if it happens to pass the Senate this year, and knowing the country as intimately as I do, I have no hesitation whatever in saying that that road should be built. I have lived in that part of the

country now for over eighteen years and I know the inhabitants and settlers intimately. They opened up that country between forty and fifty miles from the city of North Battleford away back in 1905, and they were promised when they went into the Rabbit lake country, that if they would only go in there and open up the country, within a year or two they would have railway communication. That country was opened up with a first-class type of settler, Englishmen, Scotchmen, Irishmen, Canadians and Americans very largely. Time after time their hopes of railway communication have been dashed to the ground. Somehow or other the official promises that were given were not kept, and a few of the settlers started to leave the country after building up a decent home to live in. They found out that it was utterly impossible for them, under conditions before the war, to raise farm produce and market it when they had to haul it a distance of anywhere from forty-five to sixty miles. Last winter when I was in the city of North Battleford I saw one man coming in with two loads of wheat from a distance of over sixty-five miles. The wheat was grown in a country the crops of which were better than seventy-five per cent of the crops in northern Saskatchewan. In the year 1912-13, I think it was, the provincial government were so convinced that this was a necessary road that they guaranteed the bonds for some forty miles, and the proceeds of those bonds are applicable to a part of the line provided for in the bill at the present time.

When the war broke out the settlers in that country did not for one moment keep agitating for the railway. Instead of that, practically every young man in that country enlisted, went overseas and fought at the front, and many a schoolhouse in that district to-day has a little brass tablet on the wall placed there in memory of the boys who went to the front and gave all for their country. After the war the question of railway construction again became a paramount one. The Canadian Northern Railway had promised to build into that district, and as I said a moment ago, their bonds had been guaranteed. In the year 1920 the Canadian Pacific Railway applied for a charter to build a road from Cory, near Saskatoon, to Birch lake, practically paralleling the proposed Canadian Northern road the whole way. A strong deputation of gentlemen from that district came down here prepared to support the application of the Canadian Pacific Railway, but the hon. gentleman who represented that constituency at that time, acting I believe under pressure of the government of that day, fought very strenuously against the Canadian Pacific Railway getting the charter. The Hon. Dr. Reid, who was Minister of Railways at that time, told that deputation personally that if the Canadian Pacific Railway did not get their charter the Canadian National Railways would immediately start in to build that road from Turtleford to Hafford, upon the branch line running from North Battleford to Prince Albert. The deputation, after putting up a strenuous fight, went away satisfied that Dr. Reid would carry out his promise and I understand that he did. Contracts were let for, I think, forty miles, but only twenty-three miles of the grade were completed. The reason I understand that more was not done was that labour at that time was very difficult to get, wages were very high and, as the contractor has told me several times, it was a practical impossibility for him to get enough labour to fulfil the whole of his contract. In another chamber last year an hon. gentleman, in seconding the resolution that this bill should be laid over for another year practically said that this work had been given in that country to help out the settlers because they had no work to do. Probably that hon. gentleman was misinformed by someone or another because the contractor told me an entirely different story. During the second session after this government came into power, they brought in a bill covering a number of branch lines and we know the fate that befell that bill. Last year this was brought in as a separate bill and to the astonishment, I think, of hon. members, this bill was again defeated. During the various stages which this bill took both in this House and in the railway committee last year, not one objection or argument was put forward against it. I hope this year it will receive the support of every hon. member in this House and that the Senate will see its way clear to let the bill for this railway go through.

I should like to say a word or two about the country because I know it intimately. The country through which this railway goes is one of the best districts in northwestern Saskatchewan. The twenty-three miles that have already been graded have been graded through the very roughest part of the whole line. We hear a good deal about mixed farming at the present time and this is an ideal district for mixed farming. There is something in that district which is unique in western Canada. Let me give this illustration to show hon. members the type of men and women who are farming there. A man

has gone in there and established a creamery which is fifty miles away from a railway depot. He is making good, and last year at this point, fifty miles away from a railway, he turned out over 100,000 pounds of butter. That shows the type of country this is and the type of men who are settling there. These men and women are well nigh hopeless of getting railway accommodation, and I get letters from them day after day. Last year after the session was over I travelled all through that country, and to the very best of my ability I pleaded with those men and women to stay and try it out for one more year because I believed this year the railway would come to a successful fruition. They have spent in that district over $150,000 on roads, and the roads are good. You can go all through that district with a car and you will not be stuck in mud holes or anything else. The whole district has been organized into school districts. In some parts of it we have a foreign population, and these boys and girls are being brought up and educated to the true ideals of British citizenship. I would plead with hon. members of this House and, from my place here, with hon. members of the Senate at least to give this railway to these men and women who have had the grit and determination to stay in that district. The type of country is such that neither this government nor the provincial government has yet had to give a dollar's worth of relief to those settlers. We do not owe any money in that district for seed grain and relief. Relief has been granted in exceptional cases, but the local municipalities themselves have always successfully financed their own affairs. They have granted their own relief and they have paid for seed grain for their settlers. Once more, I do hope that this bill will have a successful passage through this House and through the Senate. If any people in this country have earned and deserve the right to railway communication, the people in that district certainly have.

Sir HENRY DRAYTON: The last time the bill for this line went through this House, it went through without any discussion at all. It was taken as read. There was no objection except that it ought to be in the estimates. It is a good thing that we should have a little discussion on it now, so that it cannot be said that the House was entirely asleep when it passed this legislation. I have been greatly impressed by what my hon. friend (Mr. Davies) has said. The great thing we want in connection with these branch line bills is to have the lines built where they are really needed, not in places where there are other lines, nor where they are not a crying necessity. As a matter of fact, it is a crime to build a railway where it is not absolutely a crying necessity. My view is that where you have agricultural land as you have it in the west, there comes a point beyond which no one should be asked to haul grain or produce or anything else. This is not any new view. I have always held it. The hon. member has shown—and my recollection bears him out and it is by reason of that recollection that I did not oppose this bill last year—that farmers there are hauling their produce, I think he said, sixty-two miles. I have always felt that any haul in the west involving more than a day is a haul which cannot be looked upon as practical or economic, and I still maintain that view. Here we have a place where the haul is very heavy. Hon. gentlemen to my left say that a ten-mile haul is sufficient. No, we can do with longer hauls than that in the west and the west does not mind that. The people of the west are willing to take their produce greater distances as long as they can do the one thing which is necessary, and that is, make farming pay. To do that they must be able to look after that haul in a day. That I look upon as an absolute minimum of railway accommodation which we should try to give them. These cases of real necessity ought to be looked after, and if we look after too much, we are in peril of not properly looking after them. We should be very sure in connection with every railway project, first, that the line is not a political line, second, that it is a proper construction in the public interest. I see no reason why this bill should not pass.

Section agreed to.

Section 2 agreed to.

On section 3—Certificate of minister as to mileage.

Mr. MEIGHEN: Is this the same wording as was used last year?

Mr. GRAHAM: It is the same thing exactly except for section 2 which provides for the utilization of trust funds in the province of Saskatchewan.

Mr. MEIGHEN: Does it include the amendments which were made by this House and the Senate?

Mr. GRAHAM: This is a copy of the amended bill.

Section agreed to.

Sections 4 to 8 inclusive agreed to.

Mr. GRAHAM: We intend to follow the custom of last year and refer all these bills to the committee on Railways and Canals as if they were the bills of a company and not under government control.

Bill reported.

REGINA-AVONLEA

The House resumed, from May 1, consideration in committee of the following proposed resolution—Hon. Mr. Graham—Mr. Gordon in the chair:

Resolved, (1) That it is expedient to bring in a measure to provide for the construction or completion prior to the thirty-first day of August, 1927, of a line of railway from a point about five miles south of Regina to Avonlea in the province of Saskatchewan, by the Canadian National Railway Company;

(2) That the company may issue notes, notes, bonds and securities in respect of the said construction, and the Governor in Council may authorize the guarantee thereof;

(3) That provision be made for the issue of certificates as to mileage by the minister, but neither the minister in the issuance of such certificates nor the company in the performance of the work of construction and completion or in the issue of its securities shall, unless by consent of parliament, exceed the estimated distance, expenditure and average expenditure per mile by more than fifteen per cent; and if upon final survey it appears to the company that the expenditure involved in the completion thereof will exceed the limits of expenditure estimated the company shall not commence nor proceed with the work without first obtaining the approval of parliament;

(4) That the nature, terms and forms of securities to be issued and guaranteed shall be such as may be approved by the Governor in Council and signed by the Minister of Finance;

(5) That to enable the work of completion of the said line of railway to proceed forthwith, the Governor in Council, pending the issue and disposal of such guaranteed securities, may authorize advances to be made to the company from the consolidated revenue fund, such advances to be reimbursed to His Majesty from the proceeds of the sale or other disposition of such securities;

(6) That the minister shall annually present to parliament a statement of the work and expenditure, advances and amount of advances reimbursed, and all such other information as he shall require or direct.

SCHEDULE

Location from a point about five miles south of Regina to Avonlea, in the province of Saskatchewan.
Mileage already graded—Nil.

Estimates—
Mileage including existing grading, 33.
To be expended, $941,000.
Average expenditure per mile, $28,515.

At a recent sitting of the House this resolution was in committee but no action was taken on it, progress being reported. I understood that a few gentlemen particularly in this corner of the House wished to discuss it and it was thought wise not to go further with the matter then. These bills will all be referred to the committee on Railways and Canals, but perhaps it is just as well to have that discussion now. I have no objection to having the matter considered and that is why it was postponed on the previous occasion.

Mr. GOULD: Who are the promoters of the bill?

Mr. GRAHAM: The Canadian National board made a certain agreement with the city of Regina in regard to some outstanding differences, agreeing to give their reasonable support to the city in the construction of this line. Among other things, a hotel was projected by the Grand Trunk Pacific Railway some years ago in the city of Regina and that hotel was partly constructed. The Canadian National did not wish to go on with the completion of it and, reasonably I might say, the government did not wish to encourage them to carry it out. Certain streets had been closed by the city for the railway, and certain properties had been given; arrangements had been made for the construction of a station, and all that sort of thing. In order to abrogate the whole agreement that had been made between the city and the Grand Trunk Pacific, this new agreement was arrived at as a sort of clearing house of all differences, and the Canadian National recommended this bill in pursuance of their promise to give reasonable support to the wishes of the city for the construction of the line.

Mr. GOULD: The minister is no doubt aware that one of the best hotels in Regina was sold under the hammer since this recommendation was made to him.

Mr. GRAHAM: That is all the more reason why we should not build the hotel.

Mr. McTAGGART: This is a most extraordinary proposal. The only justification for this line of railway seems to be the fact that a certain railway company in the past defaulted in the construction of a hotel. I think that probably the minister knows of some other reason for building this road and I should like to hear it.

Mr. GRAHAM: Now I will give the additional reason; I felt sure that what I said a moment ago was what hon. gentlemen wanted to know first. The statement I made first was in reply to the question as to who was the promoter of the line. The following memorandum explains the question—the clause in regard to the hotel I will not read, having already explained it:

It is proposed in 1925 to call for tenders for grading if possible, to be completed during that year, at an estimated cost of approximately $397,000, including right of way, and so on. In 1926, it is intended to lay the track, ballast the line and generally complete it at an estimated cost of $544,000 for the year.

The line will run from Avonlea to a point on the Regina-Boundary branch, about five miles south of Regina.

The object of the line is to give a direct connection into Regina from the Gravelbourg branch, and also from the territory in the vicinity of Radville. It will also make saving to the railway in hauling grain off the Gravelbourg branch. In fulfilment of an agreement reached with the city of Regina, authority to construct this line is being sought in lieu of cancellation of an obligation contracted by the Grand Trunk Pacific Railway to construct and operate a hotel in the city of Regina.

The saving to the railway for short routing the grain is estimated at $27,000 per year. Not less than $1,500,000 would have been required to finish the proposed hotel in Regina which would have imposed a fixed charge of $75,000 per year; besides it is considered the hotel would have made an operating loss of some $50,000 per year. Against these savings of $152,000 are the fixed charges of the cost of the line of $47,050, the fixed maintenance of way of $29,700, and the annual cost of an interlocker with the Canadian Pacific Railway estimated at $5,000, or, a total of $81,750 per year, showing a net saving of about $70,250 per annum.

There would be something like 80,000 acres of territory, all of good farming land given closer railway connection, thus offering some assistance to farmers on the route.

Mr. GOULD: Has the minister looked over the map carefully to see where the road is running, so that he may give us his own judgment on this branch line?

Mr. BROWN: Mr. Chairman, I am not personally interested in this district at all, but recently I received through the mail a map of it, and I may say that I am heartily in agreement with the principle laid down by the hon. member for West York (Sir Henry Drayton) as one that should govern the building of these lines—that the first consideration should be the placing of farmers within a reasonable distance of their market. As I looked over that map I was forced to the conclusion that there is absolutely no justification for the building of the line when there are so many other places that are very much removed from railway facilities. I know the minister (Mr. Graham) is not giving us reasons that seriously weigh in his own mind why this line should be constructed, and I am confident its construction will not appeal to the members of this House.

Mr. HOPKINS: Mr. Chairman, it so happens that this line passes through the district that I have the honour to represent, so it may not be out of place for me to say a word or two in regard to it. I should like to discuss the railroad situation for one minute if the committee will bear with me. A system of centralization has grown up in Canada. Everything that it is possible to centralize in Montreal, is centralized there; if it slips by Montreal it is stopped at Toronto; if it slips by Toronto it goes to Winnipeg. But I want to say to hon. gentlemen that that great territory between Winnipeg and the Rocky mountains, a thousand miles long and as wide as you like, is represented by men in this corner of the House who do not believe in centralization. We believe in decentralization. Transportation is our great problem in that country, and we want the long hauls for the carload lots and the short hauls for the expensive local freights.

Let me show you what they have done to us in years gone by. Fifteen years ago the Canadian Pacific Railway started a railroad from Weyburn to Lethbridge, a distance of 445 miles. They built the line within 25 miles of Lethbridge—no mean city and the natural distributing point of that country—and then they said, "We have not got any money to go further." About the same time they started a line from Moose Jaw southward that would strike the Lethbridge line at Assiniboia 111 miles west of Weyburn, but when they got within 15 miles they said, "We have got no more money we cannot complete it." The consequence was that for years we had to bring our coal, our lumber and our fruit 800 miles further than would have been necessary had that little gap been built. I say to members of this House, we do not like that kind of thing. A few years ago they started a line from Avonlea to Swift Current—another city of no mean pretensions. They got 122 miles built, and the members of this House have been fighting year after year to get that line extended to Swift Current, but always the answer is, "We have no money." For lack of that line being completed we have to switch all our lumber, all our fruit, all our cement and the hundred and one other things we need around by Avonlea, 150 miles further than would be necessary if they had put in that little kink. And now they ask for a line to go across to Regina, a million dollar line running right through my district, and a number of my constituents send me letters and telegrams saying, "Mr. Hopkins, support the line. We gave you a good vote last time." I will tell those people that we have got too many lines in too many places, and I will also tell them that they have been built because of just such letters being sent as those sent to me. I will tell them that I consider it a crime for me to support that line when there are people in that country drawing their grain for forty and fifty miles. I will tell them that if they put that line across that territory to Regina, that will be another million-dollar white elephant. We have put on six hundred of them in the last five years, and Canada cannot stand any

more. Now, I know that that is not going to get me any votes, but I am going to tell you that it is not necessary that I get votes, it is not necessary that I come back to this House, but it is necessary that some men in this country stand up like men and denounce such projects.

Mr. MORRISON: Mr. Chairman, this proposed line runs across one corner of the constituency which I represent, and I think perhaps I had better say a few words too, for fear I do not get all the votes I should. Now, the minister has not explained to us what legal claim the city of Regina holds against the government to carry out the agreement of the Grand Trunk Pacific with the city. I think the government should show us that we are really legally obligated to the city in this matter. It is claimed that the Grand Trunk Pacific had agreed to build in the city a hotel. Now, the story of how that proposition was put on is, I think, very illuminating. A bunch of real estate men, back in the good old palmy days of 1910, 1911 and 1912, got together and secured an option on a lot of property around where the proposed hotel was to be built. Then they got busy in an effort to have the city of Regina bonus the Grand Trunk Pacific. Some other citizens in Regina who were not in on this scoop also got busy and showed that it was against the law of the province for a municipality to bonus any such project, and they engaged a lawyer to institute proceedings for an injunction. But there were so many influential citizens in on this real estate scoop that they brought pressure to bear on the lawyer to drop the case, and before a legal man could be got from Moose Jaw or Winnipeg to take it up, the legislature passed a special act enabling the city of Regina to bonus the Grand Trunk Pacific. Then these enterprising people got busy, dug a hole up on Albert street and stuck up a framework of steel a mile away from where it should be. That is as far as they proceeded with their hotel. Now, it is just such manipulation and unbusinesslike procedure as that which wrecked the Grand Trunk Pacific and some of our other railways, and if the government is going to proceed along the same course we shall be pulled down too. We have got to come to a stopping place.

There is no real necessity for this hotel, it has been abandoned, but to satisfy some citizens in Regina it is now proposed to build a line from Regina across to Avonlea. There is not a farmer in that district that has to go over twelve miles at the outside to a station, and ten miles catches very nearly all

[Mr. Hopkins.]

of them. The country is all under cultivation. it is well served by railroads to-day, and there is no more necessity for this branch line than there is for the hotel, not a bit. It will take a lot of trade away from Moose Jaw city and land it in Regina, but that would be no benefit to the district. That is not what we are here to look after. The Canadian National Railways have enough burdens to bear without our loading them up with another million-dollar liability. The minister said this line would give service to Radville. I received a letter from the Radville Board of Trade to-day asking me to protest with all my might against this line; Radville does not want it. I have not heard one elector say one word in favour of this proposed line; I did not hear about it at all until I came to Ottawa, and I do not think anybody is asking for it except a few men in the city of Regina. It has been said that where there is no actual necessity for a railway no work should be done, and I heartily agree with that. I would ask the members to do all they can to stop this project right here and now.

Mr. CALDWELL: I am not acquainted with the location of this road or of the necessity for it, but I cannot help thinking it is rather unfair that members who have railroads in their own constituencies should discuss this matter in this way when the member for Regina (Mr. Motherwell) is not in the House. I imagine he is interested in it. I am only making the suggestion to the minister that it might be well for the committee to rise and report progress so that the matter can be taken up again when the member for Regina is in his place.

Mr. MEIGHEN: Is the hon. member not assuming too much? The Minister of Agriculture (Mr. Motherwell) usually claims he is against the rest of the government.

Mr. MACLEAN (York): I am entirely in accord with the statement that has been made in the committee to-night that those districts which are in the greatest need of railway facilities should receive the first attention. If it is true that there are other districts which need branch lines more than this one, why this discrimination? In view of what has been said by several members here to-night in regard to the needs of other districts, would the minister tell us why this district is getting preferred treatment?

Mr. LEWIS: I have had quite a number of telegrams from people in my district in support of this line; naturally they think they could get to Regina much more quickly if it

were built. But I am not in favour of the line; I think the money could be better spent if the construction was at the other end, from Neidpath to Swift Current. It would suit my people very much better.

Some hon. MEMBERS: Oh, oh.

Mr. LEWIS: Hon. members laugh, but I would point out that so far as coal is concerned it travels from Swift Current down to Moose Jaw, to Avonlea, to Gravelbourg and to Neidpath—all the way round that district, a distance of nearly three hundred miles, whereas the district might be served by our Canadian National Railways running into Swift Current, a distance of twenty-five miles. There is a gap between Swift Current and the line which is proposed to be extended. Of course we cannot offer an amendment, but if the government can see fit to use this money for the building of this line, only on the other end, extending it into Swift Current, it would serve the whole of that district and would save the people there thousands of dollars yearly.

Mr. GRAHAM: This is the most remarkable scene I have ever witnessed. I respect the feelings of hon. gentlemen more, perhaps, than they think. This resolution is going to canonize someone. It is the first time in my experience that anybody has objected to a line in his own vicinity. I feel that I do not want to be a party to crowding this thing on them, and in order that we may give it more consideration if necessary, I move that the committee rise and report progress.

Mr. MACLEAN (York): What has the minister to say about this discrimination in the matter of providing branch line facilities?

The CHAIRMAN: The motion is not debatable.

Progress reported.

Mr. SPEAKER: When shall the committee have leave to sit again?

Mr. MEIGHEN: I was going to suggest, Mr. Speaker, that the committee have leave to sit again when the Minister of Agriculture arrives.

Mr. GRAHAM: I would not agree to any specific date, Mr. Speaker.

CANADIAN NATIONAL RAILWAYS

BENGOUGH-WILLOWBUNCH

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee on the following proposed resolution:

Resolved, (1) That it is expedient to bring in a measure to provide for the construction or completion prior to the thirty-first day of August, 1928, of a line of railway between Bengough and a point at or near Willowbunch, in the province of Saskatchewan, by the Canadian National Railway Company (hereinafter called the "National Company") and the Canadian Northern Railway Company (hereinafter called the "Northern Company"), jointly or severally;

(2) That a part of the cost of such construction and completion, as specified approximately in the schedule hereto, shall be provided by the Northern Company from the proceeds of issues of debenture obligations heretofore made, and now standing, subject to certain trusts, to the credit of the Provincial Treasurer of the province of Saskatchewan (hereinafter called "trust funds"), and the balance, also as specified approximately in such schedule, shall be provided by the National Company. To enable such balance to be provided, the National Company may, subject to the provisions of the proposed act, issue notes, obligations, bonds and other securities (hereinafter called "securities"), and the Governor in Council may authorize the guarantee of the principal and interest of such securities. The said companies shall be authorized to take all necessary steps, jointly or severally, to enable the trust funds to be used as herein provided.

(3) That provision be made for the issue of certificates as to mileage by the minister, and neither the minister in the issuance of such certificates, nor the said companies in the performance of the work of construction and completion, nor the National Company in the issue of its securities for the balance of cost after deducting trust funds available shall, unless by consent of parliament, exceed the estimated distance expenditure and average expenditure per mile, and the estimated amount of trust funds available, by more than fifteen per cent, and if upon final survey it appears to the said companies or either of them that the expenditure involved in the completion thereof will exceed the limits of expenditure estimated, the said companies shall not commence nor proceed with the work without first obtaining the approval of parliament;

(4) That the nature, terms and form of securities to be issued and guaranteed in respect of the balance of money by the National Company shall be such as may be approved by the Governor in Council and signed by the Minister of Finance;

(5) That to enable the work of completion of the said line of railway to proceed forthwith, the Governor in Council, pending the issue and disposal of any such guaranteed securities, may authorize advances to be made to the said companies, or either of them, from the consolidated revenue fund, such advances to be reimbursed to His Majesty from the first moneys available therefor;

(6) That the minister shall annually present to parliament a statement of the work and expenditure, advances and amount of advances reimbursed, and all such other information as he shall require or direct.

SCHEDULE.

Location	Mileage already graded	Estimates		
		Mileage including existing grading	To be expended	Average expenditure per mile
From Bengough to a point at or near Willowbunch, in the Province of Saskatchewan	0	27	$ 945,000	$ 35,000
To be provided by the Northern Company from trust funds, as specified in Resolution 2 and pursuant to chapter 2 of the Statutes of Saskatchewan, 1924, approximately	.....	.....	400,000	
To be provided by the National Company as the balance of cost as specified in Resolution 2, approximately	.....	.....	545,000	
			$ 945,000	

Mr. MEIGHEN: Perhaps before we go into committee the Minister might inform the House whether the government is serious about this resolution; or is it only a try out, too?

Mr. GRAHAM: This bill, like others, is a serious recommendation. The conditions of the other line were somewhat peculiar. I did not dream that nobody in the House wanted it. It was recommended in accordance with an agreement made by the Canadian National Railways with the city of Regina which agreement stated that the Canadian National Railway Company would give it reasonable support; and I submit that in recommending it they kept their contract.

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

Sir HENRY DRAYTON: I wonder if the minister in connection with this line would give us a statement as to railway policy. We had this matter up two years ago and again last year. There was a project very much favoured by the people of the district of extending the line from Bengough west. It was to run west, almost parallel, perhaps branching off a little to the southern boundary, a distance, as I recollect it, of some eighty odd miles, which if constructed would have looked after farmers who are to-day without proper railway connection and at such a distance that they cannot economically haul grain to railhead. I would like if the minister would explain the present construction, which appears to be deflected somewhat to the north and away from the district that really requires it. I am not saying that some people may not be helped here, but I would hope that helping them is not going to defeat the hopes of those to the south, which are of very, very long standing.

[Mr. Graham.]

Mr. GRAHAM: As my hon. friend knows, there was a good deal of discussion in the committee last year over what was called the Radville line, and I think there has been contention over it for a good many years. The original project of the Canadian Northern was to build the branch as outlined in this bill, but last year a change was made to cover a greater amount of territory, the line to run in a direction more southerly, if I remember the map correctly. The question arose in the committee last year that part of this territory might better be supplied by the Canadian Pacific. Now the committee and parliament have been expressing more and more every year the desirability of lessening the overlapping in railway construction by the two lines, and the Canadian Pacific has agreed, I understand, in fact, I have seen a letter to that effect, to construct a line to take care of the large part of the territory the Canadian National Railway was proposing to take care of in its last year's construction.

Sir HENRY DRAYTON: Which construction, Radville or Bengough?

Mr. GRAHAM: Radville.

Sir HENRY DRAYTON: I do not think anyone will look after that.

Mr. GRAHAM: It is in that direction, although I will not say it goes to Radville itself. I will read the memorandum on the Bengough-Willowbunch line:

It is proposed in 1925 to let a contract for the grading of the 27 miles to be completed in that year at an estimated cost of $500,000. In 1926, the track-laying and ballasting will be done and the line generally completed to Willowbunch at an estimated cost for that year of $445,000.

I may say the distance is 27 miles:

This line replaces the Radville S. & W.,—a bill for which was turned down in the Senate last year. During

the discussion on the bill last year, it was suggested that if the Canadian Pacific Railway would build eastward into the Fife Lake territory, the Canadian National Railways would be prepared to withdraw from the territory south and west from Radville. Now the Canadian Pacific Railway is prepared to build into the Fife Lake district, not from the east, but from Assiniboia, with the idea of eventually running east from Fife Lake to cross about the territory proposed to be covered by the Radville S. & W. Line, the Canadian National Railways are undertaking their original proposal in that country,—the extension of their Maryfield Branch from Bengough to Willowbunch.

The justification of this line is the fulfilment of undertakings in the past to construct this line, and also that it will give rail communication to the town of Willowbunch, and shorten the road haul for the farmers in the district south of there.

It is figured the production from the area tributary to the line will be 650,000 bushels of grain on the average per year, besides 170 carloads of freight in and outbound composed of live stock, coal, lumber and merchandise. About ten miles road haul would be saved on the average to the farmers served by this line, and computing this to be worth ¾ cent per bushel per mile on the 650,000 bushels expected from this line, it would mean an annual saving to the farmers of $48,750 for grain haul alone.

Although to build this line, it is estimated will cost $945,000, arrangements have now been made with the Provincial Government of Saskatchewan to consent to the release of $400,000 of trust funds, which had been previously raised for the purpose of construction of lines in the Province of Saskatchewan. This makes the amount to be voted by parliament $545,000.

I think that is about in line with what I said at the beginning. I do not know how it will strike parliament, but it struck me as a very good solution if the Canadian Pacific would look after that territory and eventually lead to practically the same territory as would have been covered by the Canadian National branch in last year's programme. The Canadian Pacific would not build down into that territory if the Canadian National built, so the Canadian National has returned to its original proposal to build from Bengough to Willowbunch, and the Canadian Pacific is to build easterly as indicated.

Mr. McTAGGART: Will the minister say that there is an arrangement at the present time between the Canadian Pacific and the Canadian National with regard to the development of railway facilities in that country? Does he know there is such an understanding?

Mr. GRAHAM: I may say that I read a letter from Mr. Grant Hall outlining just what I have intimated to the House, showing that they propose this year to begin construction.

Sir HENRY DRAYTON: Have they existing statutory powers to construct in that territory?

Mr. McTAGGART: I think before we proceed with this line of railway from Bengough we are entitled to full information with regard to the Radville line. The Radville line a year ago involved an expenditure of $3,800,000 odd of the money of the taxpayers of this country. At the time that proposition was before this House I opposed it on the ground that the line from Radville south and west was not a feasible proposition, and as a result of the opposition offered in this chamber the bill was amended so that the Canadian National management would have authority to build a road either from Radville, Ritchie or Bengough. I submitted then, and I submit now, that the Canadian National Railway, or their board of engineers at all events, knew at that time that the railway should have been built in the first place from Bengough south and west in the district of Fife lake and Wood mountain. They had that information, but for some reason the road was projected from Radville. Following the rejection of the bill by the Senate the Canadian National engineers were sent into that district, and they were surveying the Radville territory as recently as January last, according to the information I have. I believe they went on the ground some time after harvest, in the fall of last year, and made a survey of the Radville line as proposed before this House last year. Now what I want to know and what I think the country is entitled to know, is what was the result of the information which they procured when they made a survey of that line. I do not know if the minister has it in his possession at the present time, but I think the House and the country are entitled to that information. These people through that south country have suffered tremendously for many years because of their inability to secure a railway, and while the district south of Radville does contain an area where the people are a long way from the railway, that area is comparatively small. The difficulty with the Radville line was that it penetrated forty or fifty miles or more of a country which did not warrant the building of a railway. If the line had been built from Bengough, as proposed two years ago in this House, south and west to Fife lake, and then extended to as far as range 7 or 8 or 9, west of the third meridian, there is no other branch of the Canadian National which could serve a better country or one better calculated to develop railway tonnage. That country between what is known as Big Muddy through Fife lake country and clear through to White Mud river, is a country where there has been scarcely a crop failure since the settlers first went in there. I do

10 p.m.

not live there myself, but I know it well. It is better than the district I live in. In 1910 when there was a general crop failure throughout southwestern Saskatchewan, in the region know as Summer Cove there was an average yield of grain running from twenty to thirty bushels to the acre. Mixed farming is carried on throughout the Fife lake and Wood mountain country which is different from the area west of the White Mud river. Would the hon. gentleman tell us what information he has with regard to the report of the engineers whom the National Railway had on the ground last fall and winter?

Mr. GRAHAM: The hon. gentleman knows that these engineers never come to me with reports, unless they are asked for by me. I am not an engineer and do not know anything about the engineering end. I know that the Canadian National board and the Canadian Pacific Railway seemed to arrive at an arrangement which I thought would meet the situation more nearly than any other arrangement which could be made. I would suggest this—and this is why I want to send the bills to committee—that we proceed with the bill and get it to the Railway committee. Then we could notify the Canadian Pacific Railway and the Canadian National as well. They will be glad to come with their engineers and thresh out the whole matter in detail. There is nothing to hide about it, but this committee and myself are a combination that would not be able to thresh out engineering questions, and there are a hundred questions my hon. friend would like to ask the Canadian Pacific officials. I would like some assurance that this other road is going to be built. My suggestion is that we should get this in the form of a bill, as is done in the case of other bills. If it were a Canadian Pacific Railway bill it would be referred to the Railway committee without discussion. I am not objecting to the discussion, but we could have that discussion much better in the Railway committee than anywhere else.

Mr. McTAGGART: I do not know if you get my point. I am not offering any opposition to the bill, and I hope that I may not have to offer such opposition, but I want to get a general statement covering a mistake made last year. How did it come that the Canadian National made the mistake last year with regard to the Radville line.

Mr. GRAHAM: My hon. friend can get that from the committee.

Sir HENRY DRAYTON: I think we got that ourselves from the engineers. My hon. friend will correct me if I am wrong, but as I recollect it, the engineers were called last year in connection with the Radville line, and they said they had always reported against it. They said it could not be built and would be a waste of money.

Mr. GRAHAM: They did not say that in my presence.

Sir HENRY DRAYTON: That is the evidence on oath before the Senate, but they were talking for themselves and not for anybody else.

Mr. McTAGGART: My hon. friend from West York is quite correct. I heard the statement made by the engineering department of the Canadian National, and those witnesses, not only before the Commons committee, but before the Senate committee, intimated that so far as the railway companies were concerned, they had always advocated the construction of the line from Bengough rather than from anywhere else.

Mr. MACLEAN (York): I have listened for nearly two hours this evening to hon. members sidestepping and evading the real issue, and I am more convinced than ever of the absolute necessity of a real railway policy in this country based on the consolidation of the two systems, a real railway service without any local jealousies. Discussions such as we have heard to-night in this House cannot continue. There is no real attempt to deal with the railway question, with parties see-sawing as hon. members are doing to-night. Of course it will be the same thing before the Railway committee, and as I said before there is no other way out but a consolidation of the two railways, a combined management which will have regard to the needs of the country and to a real service, regardless of local claims. We do not want a repetition of this see-sawing between different parties in this House and between this House and the Senate. If such a thing continues for a few years I do not know what the future will be. I was more than pleased with the statement made by an hon. gentleman a few minutes ago about this House being led away from its duty to provide in the first place railway communication to the people who are twenty or thirty miles away from a railway, and giving railway accommodation to people who do not need it, who are not ten miles away from a railway, as is the case in some of the propositions before us to-night.

Sir HENRY DRAYTON: We are only now considering a resolution. The matter will have to come before the House in com-

mittee in connection with a bill, and I have no doubt the minister will come before us with all the information. The information we would really like would be an assurance that no further attempt will be made to throw away money south of Radville in that Big Muddy river district in the manner described, and that instead of having lines built which are more in the nature of political fences than anything else, we will have lines built for the farmer. If the minister comes down and assures the House that there is no more danger of that Radville proposition being attempted to be put through I think the resolution might pass.

Resolution reported read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 74, respecting the construction of a line of railway forming part of the Canadian National Railways between Bengough and a point at or near Willowbunch, in the province of Saskatchewan.

Motion agreed to and bill read the first time.

Mr. GRAHAM: Would the hon. member for Maple Creek (Mr. McTaggart) be satisfied to have the bill go to the Railway committee?

Mr. McTAGGART: Yes.

Mr. GRAHAM moved the second reading of the bill.

Motion agreed to and bill read the second time.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend The Dominion Lands Act, chapter 20 of the statutes of 1908, and the acts in amendment thereof, by providing,—

(1) Notwithstanding anything contained in the said act, no person shall be granted entry for lands situate within that part of the provinces of Saskatchewan and Alberta south of the south boundary of township 16 in the Dominion Lands system of survey unless such person submits evidence satisfactory to the Minister of the Interior that he or she is in permanent residence and conducting farming operations upon a farm of not less than eighty acres distant not more than nine miles in a direct line from the parcel for which entry is desired, exclusive of the width of road allowances crossed in the measurement, or that such person is the father, mother, son, daughter, brother or sister of a settler in permanent residence and conducting farming operations as aforesaid;

(2) That notwithstanding anything to the contrary in the said act, the minister may sell school lands required as right of way for any project or for reservoir, church, cemetery or hospital sites, at a price to be fixed by an officer of the department as the actual market value of the land, and upon such terms of payment as the minister may prescribe, provided that the government of the province in which the land is situated expresses its approval of the sale and price in each case;

(3) That where an application is made by the holder of unpatented school lands purchased under the provisions of this act prior to the first day of January, 1923, or by the legal representative, or registered assignee of such holder, the minister may, with the consent of the government of the province in which the lands affected are situate, rescind such contract, or contracts of sale, as to any portion thereof and in such form and area as the minister may prescribe.

Upon such rescission the holder or his legal representative, or registered assignee, shall be held to be indebted to the crown for principal and interest in accordance with the terms and conditions of the original contract, or contracts of sale, in respect only of the area to which such contract, or contracts, have been confined, and the account, or accounts, of the holder, legal representative, or registered assignee, in the books of the department, shall be adjusted accordingly. In such readjustment, any moneys paid on the original contract, or contracts, may, in the discretion of the minister, be applied in satisfaction of the principal and interest owing, or principal accruing under the contract, or contracts, as amended; provided that there shall be no refund of any moneys.

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

Mr. McTAGGART: I do not think we should let this resolution go through too hastily. I want first to assure the minister that, coming from the district which this resolution directly affects, I have great pleasure in giving it my full support. I know the situation well, and I am glad to see the minister is taking a step to meet the difficult situation which we have there. One suggestion, however, that I have to make in connection with this resolution—and I recommend it to the minister's consideration—is that, instead of having this legislation apply only to lands south of township 16, it should apply to the entire area as far north as the South Saskatchawan river. The situation is the same and the river would be a natural boundary. To make an arbitrary arrangement that there should be a difference with regard to the working out of the Dominion Lands Act as between north and south of township 16, will create a situation whereby many perplexities will be bound to arise. For example, supposing when this measure becomes law, a resident living in township 16 or 17, desires to make entry for a parcel of land in township 15, what will the situation be? Will he have a right to make entry? As the situation with regard to climate and soil in connection with abandoned lands south of the Saskatchewan river is practically the same, I would recommend very earnestly that this legislation be made to apply as far north as the South Saskatchewan river.

Mr. STEWART (Argenteuil): This is a departure from the strict principle that applies to homesteading, inasmuch as we are first giving a preference to applications of residents over those of people living outside of the territory. This has never been done before. Personally I am very anxious to prevent homesteading in those areas, but there are some circumstances in which sons of residents in the locality can advantageously be settled on some of those lands and permitted to carry on agricultural pursuits. I think my hon. friend will agree with me that it will be well to discourage as far as possible the carrying on of agricultural pursuits, because most of the people there have turned their attention almost altogether to ranching. I am speaking of the area where this legislation will apply particularly and I do not want to extend this privilege over too great an area. I quite foresee the difficulty my hon. friend has pointed out, that some one, for example living in the township just north, might be deprived of the privilege, but I would like to see what sort of an onslaught is going to be made on us for opening up some of those lands. I confess I am not friendly to encouraging agriculture in that area, because we know it is the dry area, and we are rather attempting to encourage ranching, a system of agriculture that we know will be successful there. But we think it is a hardship to deprive a young man coming of age of the privilege of a free homestead if it is available and if, in our opinion, after investigation, there is a reasonable chance of success. That is all we are putting this clause in for.

Mr. McTAGGART: I do not want to hold up this bill, or to enter into a long dissertation upon it, but I want at this time to correct a misapprehension on the part of this House and the people of this country regarding that area. An arbitrary ruling was made, I think in 1921, with regard to the regulations of the Dominion Lands Act by setting aside as area A all lands in southern and western Saskatchewan south of township 16. Under that ruling those lands have been blacklisted. That area is known as the blacklist, as area A under the Dominion Lands Act. What are the facts with regard to that area? I live in it myself, in township 12, where a heavier tonnage of agricultural products is raised than in any other area of Saskatchewan. I make that statement without fear of contradiction. It is not true that the country is not fit for agriculture. It is one of the best districts in Saskatchewan or Alberta, but it has a feature which hon. members and the public at large do not understand. I have explained it several times before and I am going to explain it again for the benefit of hon. members. The land in Manitoba and eastern Saskatchewan is uniform. It is a heavy clay soil that is very general. When you get to a few miles west of Weyburn, what is known as the Missouri plateau, you reach a different class of land entirely. You have a class of land which is broken, where you have large areas of first class soil, large areas of medium class soil and large areas of the poorest kind of soil, areas that are fit only for grazing purposes. Consequently you see, Mr. Chairman, the hardship it is on residents of those large good areas to have their land classed and put down as being unfit for agriculture, when that argument applies only to those areas that are sandy and, of course, fit only for grazing.

In regard to the point involved here, I have objected time and again to that arbitrary ruling setting aside the line south of township 16, because for a considerable distance south of the South Saskatchewan river the quality of the soil and the climate are practically the same. There is no justification for making township 16 the dividing line as between one class of these lands and another, and that is one of the reasons why I wish to bring this matter to the attention of the minister. If he is going to give countenance in legislation again to the belief that there is a difference between the land south of 16 and the land to the north he will simply create a blacklist against the land in the south country. I do not know whether the minister is familiar with the country, but I venture to suggest that in that area between what is known as the Cypress hills and Maple Creek, to the town of Assiniboia, which includes a district of approximately 50 or 60 miles wide and covers 100 miles long, there is some of the very best agricultural land in the west; there is no area in all western Canada that has developed more agricultural products in the last twelve years. All that area is south of township 16, and that is the regrettable feature of this proposal. There are many immigrants coming into the country to-day from the United States for the purpose of settling on farm land and when they make inquiries they will be told not to go into that country because it is the dried out section, to use the term which the minister has employed. But it is no such thing. It is true that there are parts of that country that are dried out, but they do not lie mainly south of township 16; as a matter of fact, most of the dried out areas are north of it.

Let me refer to one. Anyone going through on the main line of railway between Swift Current and the Alberta line will pass along a sandy or bad area north of that line, not far from where I live. Again south of the Cypress hills, between them and the American boundary, there is an area that can be described as dried out, where it was a mistake in the first place for people to settle. In fact, close to my own town there is a considerable area that should not have been settled at all. But my point is that to make township 16 the dividing line between what is considered as good land and what is considered the dried out section is simply to leave a blacklist on that country south of township 16, and that is a rank injustice to the people who are trying to make that part of the country profitable.

Mr. STEWART (Argenteuil): I quite agree with my hon. friend (Mr. McTaggart) that some of the finest land in western Canada lies in that area; and I might include the area directly south of Swift Current along the boundary line. There is a portion in southern Alberta, not far from the boundary of the Saskatchewan, which is very fertile. But generally speaking the best of these lands are already homesteads. I believe that the area my hon. friend mentions is almost without exception all given over to homesteads as far west as Assiniboia. Now. I am not suggesting a black list of the territory. What we propose under the amendment, as my hon. friend will realize, is that in some of those areas where we have application for opening up homesteads in what we consider to be lands unfitted for that purpose, such lands should be dealt with in a particular way. We do not want to blacklist any lands; but there are frequently alongside some of these ranches fairly desirable quarter sections suitable for farming purposes and we are simply asking the right to deal with these particular cases and to treat the sons of residents of the locality as preferred settlers. That is all we are doing. Township 16 has of course been fixed upon more or less as an arbitrary boundary, but we are merely experimenting in that regard. To be frank, I am afraid that we shall have a considerable demand for lands where I do not think that settlement should be permitted. However, we are trying this out to see how it will work.

Mr. MEIGHEN: When was the blacklisting done?

Mr. STEWART (Argenteuil): There is no such thing as a blacklisting, but in 1921 it was decided not to permit more homesteading in certain areas.

Mr. MORRISON: Any abuse of the privilege of opening up land south of 16 can be overcome by the inspectors making a proper report to the department. If, in their opinion any land is not fit for farming purposes they can refuse to allow it to be homesteaded. But there are men living there who cannot sell out to-day, and as their boys are coming of age, and they are unable to keep them at home, it is desirable that they should be able to obtain land adjacent to the homestead for their boys. In that case, they do not need to put up buildings, and while the land would not be worth while to an outsider, who would be free to go anywhere he liked, it is certainly of value to those who are resident in the locality and who cannot move. There is not much inducement for the outsider to come in but undoubtedly the resident who is stuck there and cannot sell out can utilize the land adjacent to his farm. The outsider of course can go north where there are lots of good homesteads. This move on the part of the government is a good one, and will, I think, bring a good deal of satisfaction to the residents of that south country.

Mr. COOTE: I want to commend this move which the minister is making and which I think is a very proper one. I believe that the sons of the people who have pioneered that country should have the first choice of any homesteads that are available. I would suggest to the minister however that he is making the area, to which he is applying this scheme, altogether too small. There are many areas in Alberta where the scheme should be put into operation. There are a great many young men coming of age and there are no homesteads available to them unless they go several hundred miles north; and it is rather a hardship, after these old pioneers have gone into that country and established a community, suffering all the hardships which pioneers have to endure, to see the few homesteads that are left picked up by outsiders. I suggest that along the foot hills west of Claresholm there are a number of families who in some cases have one or two sons that are old enough to establish homesteads and who might be given an opportunity to take up these lands. The land along there is nearly all held under lease but a few quarter sections have been released and they do not always go to residents in the vicinity. The scheme which is outlined in this resolution is a splendid one, but I would advise the minister to enlarge the area to which it should apply. I think we have

been altogether too free in disposing of homestead lands to Doukhobors, Galicians and people of other nationalities who it is doubtful would be an asset; more likely they are a liability to the country. It will be only a few years before our young men will be looking for free lands and there will not be any good homesteads left for them within a reasonable distance of the railway. I think the minister should go a good deal further in this bill and apply the scheme to considerable areas in Alberta and Saskatchewan. I think it is only right that what free lands are left there should be reserved for the people who have pioneered that country.

Resolution reported, read the second time and concurred in. Mr. Stewart thereupon moved for leave to introduce Bill No. 75 to amend the Dominion Lands Act.

Motion agreed to and bill read the first time.

GOVERNMENT ANNUITIES ACT 1908 AMENDMENT

Hon. JAMES MURDOCK (Minister of Labour) moved the second reading of Bill No. 71 to amend the Government Annuities Act, 1908.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Limitations as to persons and amounts.

Mr. MANION: Would the minister explain the purpose of this bill?

Mr. MURDOCK: Under the present act the minimum annuity that can be purchased is $50. The proposal is to permit the purchase of a $10 annuity. That is the only change. The reason for the amendment is that a number of employers, it is said, find themselves disposed to purchase outright annuities of $10 each as Christmas presents or as bonuses for employees who have been with them for many years. In fact, for some time the department has had on deposit from one firm a considerable sum of money in anticipation of this amendment being made.

Mr. MANION: What is the purpose of a $10 annuity—is it intended as a Christmas present?

Mr. MURDOCK: It is said that some employers instead of giving their employees bonuses at Christmas time or some other form of present would prefer to purchase outright $10 annuities. Last Friday I placed on Hansard a memorandum of the single cash payment required to be made on the purchase outright of a $10 annuity under which the annuitant would benefit at the age of 65. Suppose the annuitant was 45 years of age, this annuity could be purchased under plan "A" for $40.25; under plan "B" for $25.88, and under the "10-year guarantee" plan for $47.80.

Mr. MANION: What is plan "B"?

Mr. MURDOCK: Under plan "B", in case of death before the annuity begins, there will be no return of any part of the purchase money. A $50 annuity under these three plans would cost $201.25, $129.38 and $238.99 respectively; which is sometimes regarded as a little high.

Section agreed to.

Bill reported, read the third time and passed.

PUBLIC SERVICE REARRANGEMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 43, to amend the act to authorize rearrangements and transfers of duties in the public service.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Duties and powers of minister and department to be exercised by minister and department to which transfer of duties is made.

Mr. MANION: Would the minister kindly explain the bill?

Mr. LAPOINTE: Under chapter 67 of the Revised Statutes concerning the Department of Agriculture, it is provided that the duties of the minister with regard to certain matters under his control may be transferred to some other department or branch of the civil service, and that the management of any one of those matters so transferred shall go to another minister of the crown, and such minister is substituted with all the powers and duties of the Minister of Agriculture. An act was passed in 1918 to authorize rearrangements and transfers of duties for all departments in the public service. Under this act, the powers, duties and functions of any minister of the crown may be transferred to another minister, or from one department to another, or from one branch of the service to another. Now the commission which is considering the revision of the statutes has suggested this amendment, which will make the

provision in the Department of Agriculture Act general for all departments. The amendment will remove any doubt as to the transfer of such duties. It is merely a formal matter.

Mr. MANION: If the minister wished to simplify the work of his department through the transfer of a particular branch of it to the Department of the Secretary of State, for instance, then this bill would permit that transfer and vest in the Secretary of State the authority over the branch so transferred; is that the idea?

Mr. LAPOINTE: Yes. The power already existed under the act of 1918, but this makes it quite clear that the duties in question are automatically transferred, in the case my hon. friend mentions, to the Secretary of State.

Mr. MANION: Would that be a permanent transfer?

Mr. LAPOINTE: Until the Governor in Council changed it again, if he chose to do so.

Mr. MANION: I received a letter the other day, I have forgotten from whom, protesting very strongly against this measure and implying that there was "a nigger in the woodpile," as the expression is. I do not know where the nigger is myself, and the Minister of Justice does not know either, I hope.

Mr. LAPOINTE: I assure my hon. friend it is entirely a "white" deal.

Mr. MANION: Then we have the assurance of the minister that it is merely to simplify the procedure?

Mr. LAPOINTE: It does not even change the law. It simply makes it clearer and more uniform.

Mr. MANION: Has the transfer of branches from one department to another been very frequent?

Mr. LAPOINTE: No. It was done a good deal during the war, because of the arduous work that some ministers had to do. Of late it has seldom been done.

Mr. MANION: Under this law could a branch be transferred from the outside service to the inside service?

Mr. LAPOINTE: I suppose it could.

Sir HENRY DRAYTON: I think the minister is right in saying that during the war orders in council were passed making transfers of certain rights and duties for the purpose of expediting business. I do not remember of the powers under the 1918 act being exercised in any other way. But how would the employees be affected if a branch outside were brought inside to a department which looked upon the activities of the outside branch as entirely unnecessary? Would the duties of those employees so transferred simply lapse? If so, it would be an opportunity for the appointment of a whole lot of other officials. Has this whole question of employment been considered in this connection?

Mr. LAPOINTE: This bill makes it clear that the only thing that is changed is the control of the branch by one minister instead of another, and its being in one department instead of another. Everything else remains the same. The present act reads as follows:

1. (1) The Governor in Council shall have power,—
(a) to transfer any powers, duties or functions or the control or supervision of any part of the public service from one minister of the crown to any other minister of the crown, or from one department or portion of the public service to any other department or portion of the public service; or,
(b) to amalgamate and combine any two or more departments under one minister of the crown and under one deputy minister.

So that the employees are rather protected by the amendment, because it is made clear that nothing is changed except the head of the department or of the branch. I have pointed out that the change was suggested by the commissioners who are studying the revision of the statutes. The wording is borrowed from the Department of Agriculture Act, chapter 67 of the Revised Statutes, and the provision is made applicable to all departments.

Sir HENRY DRAYTON: The real effect of that section in the act of 1918 would seem to be to make it clear that the minister or the department to whom the branch was transferred would in law have those powers; that the original power is in no way lost by the transfer. But my point was with regard to transfers from the inside to the outside service, or vice versa.

Mr. LAPOINTE: That is not mentioned either in the act as it exists to-day or in this amendment.

Sir HENRY DRAYTON: I am not sure but that it should be mentioned. However, I understand the minister to assure us that any transfer under this bill will not in any way affect the standing of those in the civil service.

Mr. LAPOINTE: I am giving that assurance to my hon. friend.

Sir HENRY DRAYTON: That is quite sufficient for me. I had hoped that there was something else behind the bill—that there was to be a combining of departments to cut down expenses. If my hon. friend would say that was the real reason of it, we would all say, Amen.

Mr. LAPOINTE: It may be used for that purpose.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall this bill be read a third time?

Mr. MANION: Next sitting of the House.

Mr. LAPOINTE: Why not pass it now and give the Senate something to do?

Mr. MANION: Only because there is one member who is not here at present who might possibly want to ask a question. Otherwise I would have no objection.

MIGRATORY BIRDS CONVENTION ACT AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of Bill No. 44, to amend the Migratory Birds Convention Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Regulation as to possession of birds.

Sir HENRY DRAYTON: Will the minister explain?

Mr. STEWART (Argenteuil): Certain court decisions have made it appear that the present act and regulations forbid the possession of migratory birds legally taken in open season at any other time than in open season. That is, if one shoots game birds during the open season, and then has them in his possession after the open season closes, he is liable to prosecution. I am curing that by making the regulations conform with those in vogue in the provinces.

Sir HENRY DRAYTON: How is that going to work out? We have no period stated in the bill. I suppose the minister's idea is to bring in regulations providing how many weeks or days.

Mr. STEWART (Argenteuil): My idea is that the regulations will conform with the provisions of the provincial game acts. They vary somewhat in the different provinces, but we will arrange it so that there will be no confusion.

Sir HENRY DRAYTON: If we pass paragraph (aaa) I suppose the regulations, which will be made by the Governor in Council, will provide the period which each province provides by statute.

Mr. STEWART (Argenteuil): Yes.

Sir HENRY DRAYTON: Would the minister explain just how we have concurrent jurisdiction here and the necessity for concurrent legal action?

Mr. STEWART (Argenteuil): This amendment is necessary because of the fact that prosecutions have taken place in the province of Manitoba where the birds shot legally in open season were held until after the close of the season, which was permissible under the provisions of the provincial act, but not permissible under our act. In order that there shall be no confusion in the minds of those responsible in the various provinces, we are providing regulations for the keeping of game the same as those prevailing in the provinces.

Sir HENRY DRAYTON: I confess I am not familiar with the present method of administration of game laws. I have not followed it this last few years, but is there any conflict at all between the local and the Dominion enforcement of law? How is it arranged? It used to be arranged, as I recollect it, by the local authorities looking after the enforcement of the law through their local game keepers and the like, or through local police officers. What do we do about it? Are we now employing a number of men to see that people do not shoot birds out of season?

Mr. STEWART (Argenteuil): Yes, to some extent, but my hon. friend will notice that by the next section we are making an arrangement with Ontario, which is practically the last province, to utilize their game officers in the enforcement of the law. We have very few men, and they are mostly in eastern provinces, very few all told, who are enforcing the Migratory Birds Convention Act. The desire is to utilize the game officials of the provinces.

11 p.m.

Sir HENRY DRAYTON: I would like to ask the Minister of Justice as to what in his view is the underlying jurisdiction in connection with the enforcement of game laws, whether it is provincial or whether it is Dominion.

Mr. LAPOINTE: I will be pleased to look into the question and answer my hon. friend.

I would not venture to give an opinion on it to-night.

Mr. STEWART (Argenteuil): The federal authorities have the responsibility of enforcing the Migratory Birds Act, because it is based upon a treaty with our American neighbours, but our desire is to utilize the provincial officials who are engaged in this work, and the arrangement provided by the next section covers the Ontario officials.

Sir HENRY DRAYTON: I suppose the effect of what my hon. friend says is this, that so far as the Migratory Birds Act, which, of course, is something we have in common with the United States, is concerned, the regulations adopted under it have been made by the government to conform to the different open seasons in the provinces. Am I right in that?

Mr. STEWART (Argenteuil): Yes, practically so. There may be some slight differences. Our regulations may not conform in all cases exactly with the regulations of the provinces as to open season, and so on, but there could be no shooting of migratory birds under the provincial acts because the federal authorities are responsible for the enforcement of the act in its entirety.

Mr. LAPOINTE: Of course, there is a treaty in connection with this matter, and that makes it a matter of federal jurisdiction under the British North America Act. Section 132 of the British North America Act provides:

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

So as there is a treaty, we have the right to deal with it.

Mr. MANION: Did I understand the Minister of the Interior to say that the Dominion government has the right to make regulations as to open season?

Mr. STEWART (Argenteuil): So far as the migratory birds are concerned.

Mr. MANION: But not in regard to others?

Mr. STEWART (Argenteuil): No.

Sir HENRY DRAYTON: What game birds have we got that are not migratory?

Mr. STEWART (Argenteuil): A great number, quail, partridge, prairie chicken, to mention only a few. Over these the provinces have jurisdiction.

Section agreed to.

On section 2—provincial officers to be game officers, except as to moiety of fines.

Sir HENRY DRAYTON: What is the reference to subsection 2 of section 12 which "shall not apply to any such officers"?

Mr. STEWART (Argenteuil): That is so far as payment of moiety of fines is concerned. This section is simply to provide that the Ontario game officers shall be officers for the enforcement of this act.

Mr. ROSS (Kingston): Will the federal department be responsible for any expenses? There have been disputes in the past over expenses.

Mr. STEWART (Argenteuil): Oh yes, we have to be responsible for expenses in connection with the enforcement of the act.

Mr. ROSS (Kingston): Will that apply just from the passing of this amendment or to the past as well? There have been several cases in dispute.

Mr. STEWART (Argenteuil): If my hon. friend refers to Ontario, we have an arrangement for the settlement of past disputes. This arrangement was made when giving authority to these officers to carry out their duties, I cannot give my hon. friend the particular instances, but we have had a full discussion and a full understanding with the department in Ontario.

Section agreed to.

On section 3—No one to buy, sell or possess bird, nest or egg during prohibited time.

Sir HENRY DRAYTON: It looks as if this section were rendered necessary by the previous amendment.

Mr. STEWART (Argenteuil): Yes.

Mr. ROSS (Kingston): Are there not special privileges or license given to certain individuals to have in their possession these eggs and so on?

Mr. STEWART (Argenteuil): Yes, there are certain individuals who are collecting for different purposes, but they must get permission or license. There are certain officers who give these privileges to collectors, and they are always given with the approval of the chief migratory bird officers. The permission comes through the local officials, but the permission is passed upon by the chief officer: In most cases they are persons of some note, and the officers do not grant these licenses indiscriminately. Scientists are given this permission

to collect for museum and university purposes and so on.

Section agreed to.

Bill reported, read the third time and passed.

DAIRY PRODUCE ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 72, to amend the Dairy Produce Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Regulations.

Sir HENRY DRAYTON: Explain.

Mr. MOTHERWELL: While this bill is not very long, it is very important. The purpose of the bill is to refuse the grading privileges to anybody who persists in the adulteration of either butter or cheese. We have had one case referred back from Great Britain where butter has been found to be adulterated with various oils, and when we bring it home to the culprit, he sometimes pays a fine; but proceeds to repeat the offence, feeling that he can make more money by paying the fine and continuing to commit the offence than to refrain from doing it. The most effective way is to refuse to grade the product of those who are guilty of the offence; then, they cannot export their produce. By that means you protect your butter and your cheese from being adulterated and sent abroad, because these adulterations destroy our market. We are making a practice of doing this at the present time, but it is not quite clear that we have the authority to refuse to grade. Therefore we want to amend the act to make it clear that we have the right to refuse to grade butter or cheese in the case of persistent adulteration. I think the provision will be very effective. If anybody challenged our right now we might have difficulty in proving that we have the right.

Sir HENRY DRAYTON: The hon. minister says one thing and the statute says another. He wants the power to refuse to grade dairy produce in the case of obstinate people who will not comply with his regulations. That limitation is not in the bill. There is no limitation here at all.

Mr. MOTHERWELL: No.

Sir HENRY DRAYTON: The minister is taking the right to refuse to grade anybody's dairy products, and withholding the grading certificates from anybody whenever he pleases. I should have thought, when dealing with a statute in as important a matter as this, the statute should make it clear in what particular kind of cases the department should take that extraordinary power. It seems to me this matter has not been properly considered or drafted. Surely we do not want something on the statute book of Canada that is going to give any minister the right, without the slightest cause being shown, of refusing to grade dairy products and withholding grade certificates. The statute should show why that is being done. It should show that it is to cover the case of people who are not treating their dairy product properly and are hurting the trade. It should not be left in that position when it could be made right in a very few minutes, if anyone would take the time to do it.

Mr. MOTHERWELL: If we specified one reason then we could only refuse to grade for that one reason. There may be other reasons besides adulteration. Take a case in point: Out in the west mold in butter has developed, particularly in unsalted butter. We have made careful examination, and we know that some factories get the mold germ, and unless you look after a case of that kind, it is apt to get worse. Some factories persist in shipping moldy butter, and nothing has brought so much distress to the handlers of Canadian products this year as moldy butter. It is just as bad as adulterated butter; as a matter of fact, it is worse, because it develops so rapidly and permeates, not only the outside but the entire mass. We have had the worst experience this year since we have started to ship unsalted butter. It seems to me the discretion should be wide enough to apply to moldy butter as well as to adulterated butter, and there may be other things as well. I think the department could have no possible object in refusing a grade unless they were satisfied it was doing positive harm. This power we are taking is nothing like the power taken by Australia, where they absolutely refuse to allow any grade to go out except the top grade. They are jealous of their grades of butter. We are not going that far. We simply want to take authority to refuse to grade. In this bill we specify adulteration as an indication of what the bill is intended to cover, but it is not necessarily confined to adulteration. We could think up everything imaginable in this connection. For instance, you might have a persistent offender in the matter of exporting moldy butter, butter in dirty boxes, or butter improperly wrapped in unclean paper. There are a dozen other things one might think of, but one

might forget one thing, and if that were not in the bill, we could not put a stop to it without an amendment. That is one of the reasons why we wish to leave the bill as it is. I think the officials of the department may be trusted not to exercise this provision unless they absolutely have to do so. We are exercising it now without the authority, and we think it is better to have a general authority than to have a specific one applied to one offence.

Sir HENRY DRAYTON: I do not see any reason why it should not be made plain why this should be done. It is not to be done on account of the colour of a man's hair or his eyes; it is to be done because something is wrong with his butter. It is not stated in the bill that it is done because the butter is bad. My point is that it is a question not of saying that you must have good butter—

Mr. MOTHERWELL: No.

Sir HENRY DRAYTON: —but of saying that this departmental action can be used only for the purpose of seeing that people do get good butter. As the bill now stands, what parliament is being invited to do by this government, that always believes so much in democratic ideas and wants to get away from bureaucratic measures but is showing more and more of them than any aggregation we have ever had in this country before, is to give it power to say: We are going to take the right to refuse to grade any farmer's butter we like and we shall not say for what purpose we are going to do that, but for any reason, good, bad or indifferent that appeals to us, we are going to say that that man cannot sell that butter.

Mr. MOTHERWELL: He can sell it locally without a grading certificate.

Sir HENRY DRAYTON: My hon. friend is begging the question entirely. That man cannot under this measure sell his butter in the export market.

Mr. MOTHERWELL: That is right.

Sir HENRY DRAYTON: He is penalized without the slightest thing being said why he should be penalized, without his being told that this is being done in order to assist the production of butter, in order to maintain the standard of Canadian butter, that this is being done because he has moldy butter, rancid butter or anything else. There is nothing of that kind in the bill. Of course, if the government want to legislate in that way, it is for them to say so. It is so easy, if someone would take just a few minutes time, to cover the cases where this action should be taken. Any legislature that takes the trouble to look after the rights of the individual would see that this was done. Why cannot it be done in this instance?

Mr. MOTHERWELL: I will give my hon. friend another instance in regard to which this action should be taken, and that is with regard to cheese. During recent years local factories have followed the practice of shipping cheese almost as soon as it is made to the cold storage plants where it is graded. It is so immature that it is merely a bundle of pressed curd, and it is impossible to do justice to the cheese in that green condition. For instance, supposing a cheese is set somewhere in this neighbourhood and shipped to Montreal a day, or two or three days after it is made, it is just a bundle of curd and it is impossible to do justice to that cheese in the way of grading it when it arrives at Montreal. We want to be able to refuse to grade that cheese for a period at least. Supposing a shipper wants that graded immediately and put right on the steamer. We cannot grade it immediately and do justice to the cheese. It has to mature for at least ten days before any grader can give justice to it. We want to refuse to grade it until, in our judgment, sufficient time has expired that a reasonably proper grade can be given that the cheese will stand up to. We could specify that too, but this would mean that you would have to have a certain number of these things specified and then you might not catch them all. There is no thought of being arbitrary in this matter. After all, the discretion must lie with the officials of the department as to when they will exercise this authority. As I have pointed out before, this is not a harsh measure, unless some person wilfully wants to go and exercise it in some brutal or objectionable way, and such an officer should not be in the department to do that. We have to have the bill in this way or to specify everything imaginable that can occur, and I do not think, on short notice, we could catch them all.

Sir HENRY DRAYTON: I do not want that done. All I want done is to see that this refers to the question of quality. It does not. There is nothing in this bill referring to standard or quality. The minister is quite right in what he says as regards cheese and I entirely agree with him that cheese ought to be kept for a certain length of time before it is graded for export. The country has been hurt by cheese being shipped that is far too green,

and the farmers would be away ahead financially if we had some such proper method of ripening cheese as they have on the continent.

Mr. MOTHERWELL: We have no authority to do that.

Sir HENRY DRAYTON: I want to give the minister authority to do it, but I do not want to give him an omnibus right to do as he pleases with one man and do something different with another.

Mr. MOTHERWELL: We would not do that.

Sir HENRY DRAYTON: I am not at all sure, but what I would like is to be sure that this country's legislation dealing with an important matter of this kind makes it clear that that power—and it is a big and serious power as regards the right of the individual —has to be made use of for a certain purpose, for the purpose of seeing that butter and cheese are being kept up to standard. Nothing of that kind is stated in the bill.

Mr. MOTHERWELL: We do not go that far.

Sir HENRY DRAYTON: My hon. friend, as I recollect his explanation when he introduced this measure, said that he wanted to have these powers in cases of persistent violations of regulations.

Mr. MOTHERWELL: That is right.

Sir HENRY DRAYTON: Why cannot that be stated?

Mr. MOTHERWELL: But there are other things like the question of cheese. We are doing this now and there has not been a single objection to it, but you never know when you are going to run across some cantankerous customer who will object just for the fun of it.

Mr. SPEAKMAN: I find a good deal of strong common sense in what the ex-Minister of Finance (Sir Henry Drayton) says and for some reasons in addition to those which he has specified. I believe also it is rather an unhealthy practice to give too much power to any officials without stating the reasons for which the power is given. I would suggest that it would be a comparatively simple matter to state those reasons succinctly, without going into the various cases. So far as I am aware, there are only two cases why grading certificates should be refused. The first is the unfitness or unsuitability of the product for grading. That would apply to cheese because of its condition. That applies to the product. The other condition would apply to the individual, and that is a man who consistently violates the provisions of the act. That, to my mind, would practically cover the two cases. I have another reason also, and that is the educative value of letting people know why their stuff was not graded. That educative value is something that should be considered. When an act is passed the people should know why; they should know the reason why their stuff is refused the grading certificate. And when that information spreads throughout the country, when the people know that their produce must reach a certain quality and be in a certain condition before the certificate will be granted, there will be a greater impetus to the movement to improve the quality of the goods exported. I think myself that the contention advanced by my hon. friend (Sir Henry Drayton) is a sound one.

Mr. MOTHERWELL: In the drafting of a bill you simply state what you want to do and it is not usual to give any explanation as to why it is done. The reason for the passing of the law soon gets around. Quite frequently when a new act is passed an explanation accompanies it, especially among new settlers But it is not usual to incorporate such explanations in the act itself.

Sir HENRY DRAYTON: I am going to make a suggestion to the minister. I suggest that the section should read:

> For refusing to grade unfit and unsuitable dairy produce and for withholding grading certificates to any person habitually disregarding the regulations under this act—

That covers the two points.

Mr. MOTHERWELL: That would be too wide. We might take the ground that "unsuitable" included second or third grade butter which although it might not be creditable to the country, would still find a market. But we are not debarring any butter that is wholesome or merchantable from going abroad. We have not gone so far, although they do in Australia and New Zealand. What we have in mind is adulteration, which is a distinct offence. The time may come, when we are neck and neck with New Zealand and Australia, when we shall find it necessary to adopt the same practice and to keep our second and third grade produce at home. At present however we are simply applying the regulation to produce in which there is adulteration or mold, both very objectionable. At present mold is not an offence at all; adulteration is. But the moldy butter may be improved by a little more cleanliness on the part of the factory. If some of the

factories that are turning out moldy butter, and are thus prejudicing the entire butter market of Canada, do not take steps to remedy this evil, there should be some way to bring them to time. But this is not even an offence at the present time; it is simply gross carelessness on the part of the makers, to the detriment of shippers generally. As regards green cheese, there is no offence; there is no law providing that cheese shall be a certain age before it is shipped. A good many of the factories have not proper storage facilities; they have no cold storage, and with the temperature at 80 or 90 in the shade in the summer, the conditions are not favourable to proper maturing, as they would be with a temperature around 60.

Mr. SPEAKMAN: I cannot see that anything would be wider than a law giving the officials absolute power to refuse the certificate for any cause. I quite agree that in the case of such produce as the minister has mentioned the certificate should not be granted to enable exportation. But I do not think that any powers could be wider than those conferred in this act, which is as wide as the universe.

Mr. MOTHERWELL: We have to put on these regulations gently.

Sir HENRY DRAYTON: I move that the section be amended by adding after the word "produce" the words "being unfit or unsuitable for export," and after the word "certificate" the words "to any person habitually disregarding the regulations under this act".

Mr. NEILL: I want to point out an objection that has not yet been raised. The minister is taking the power to refuse to grade dairy produce, and it is suggested that it should be limited to unsuitable dairy produce. How is he to know that it is unsuitable until it is graded? It might be perfectly good butter; the man might have had a change of heart after making one or two bad shipments, and after he had got religion, he might send perfectly good shipments. Is his produce to be rejected simply because he may have happened to make some bad shipments in the past? The amendment is no better, because it takes power to refuse to grade dairy produce that is unsuitable. But how is the minister to know that it is unsuitable until it is graded? I think that we might omit the first part of the provision. The shipper cannot know what his produce is rejected for unless it has been graded. The latter part of the clause, it seems to me, would be ample to meet the object of the minister, which is to prevent the export of inferior butter.

Mr. MOTHERWELL: My intention was to refer all these bills to the committee on Agriculture, but this one seemed to be so simple, and the explanation I gave appeared to be so complete, that I thought we could dispose of it without referring it to that committee. But if our experts are to disagree probably we shall get a better decision before the committee on Agriculture.

Progress reported.

Bill referred to the select standing committee on Agriculture and Colonization.

THE MEAT AND CANNED FOODS ACT

On the Order:

Second reading of Bill No. 73 to amend the Meat and Canned Foods Act.—The Minister of Agriculture.

Mr. MEIGHEN: I rise to protest against our going on any later to-night. We were here until one o'clock this morning. The more we expedite business the more we are imposed on.

Mr. MOTHERWELL: This is just a motion for second reading and reference to the Agriculture committee.

Mr. MEIGHEN: If we get that done there will be something else proposed. There should be one or two other members here on this bill.

Mr. MOTHERWELL: Mr. Speaker, I move that this bill be now read the second time and referred to the select standing committee on Agriculture and Colonization.

Mr. MEIGHEN: I object. The government has not the slightest excuse for trying to rush these bills through one after the other at midnight. The bills may go to the committee on Agriculture; we are not all on that committee. This is imposing on good nature. We have put through a very large proportion of this order paper to-day, and we were here until after one this morning. This landsliding of everything to the committee on Agriculture without any discussion here is not the right thing to do, anyway.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: No.

Mr. MACKENZIE KING: There being objection, Mr. Speaker, we do not press the motion.

Mr. SPEAKER: Next sitting of the House.

On motion of Mr. Mackenzie King the House adjourned at 11.35 p.m.

Wednesday, May 6, 1925

The House met at three o'clock.

PRINTING OF PARLIAMENT

Mr. DECHENE for Hon. Mr. MARCIL (Bonaventure), presented the second report of the Joint Committee on the Printing of Parliament.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS— MR. JOHN R. FISHER

Mr. JONES:

1. Is John R. Fisher, of Truro, Nova Scotia (retired conductor of the Canadian National Railways), now in the service of the railways?
2. If so, what position does he hold?
3. What are his duties?
4. When was he appointed?
5. What is his salary?
6. Was the position now held by Mr. Fisher created when he was appointed to it?
7. If not, how long has the position been in existence, and who was his immediate predecessor in the position?

Hon. Mr. GRAHAM:

1. Yes; is in the service, but was not retired.
2. Inspector of trains and stations—Atlantic region.
3. To see that passenger cars in service and station buildings are kept in proper condition.
4. January 18, 1924.
5. The management does not consider it in the public interest to disclose information of this character.
6. Yes.
7. See answer to No. 6.

CIVIL SERVICE RECLASSIFICATION

Mr. CHURCH:

1. When will some decision be given by the government or the Civil Service Commission regarding the bonus or reclassification of civil servants?
2. Will such readjustment be made before next pay day, May 15th?
3. Has such bonus been cut off from those of the lower grades awaiting the reclassification of salaries?

[Mr. Meighen.]

Right Hon. Mr. MACKENZIE KING: I might answer this verbally. The government has approved the joint report of the Civil Service Commission and deputy ministers with respect to the reclassification of civil servants, and I assume that the commission will make public, possibly to-morrow, the terms of the reclassification.

CANADIAN NATIONAL RAILWAYS—PRIVATE CARS

Mr. WILSON:

1. How many private cars are in the possession of the Canadian National Railways for the use of officials?
2. How many of these have been secured in the past two and a half years?
3. How many were used to carry officers of the company to Portland on the occasion of the departure of Mr. C. J. Smith for England?
4. Who were the officers who used these cars for this purpose?
5. How many cars were on this same occasion sent around to Halifax, and for what purpose were they so sent?

Hon. Mr. GRAHAM: The hon. gentleman (Mr. Wilson) is now in his place. I have referred to this question on two or three occasions. I would be glad to give my hon. friend the answer to the first two questions, but I think, on mature consideration, he will see the inadvisability of opening the door to the other two questions. If we do, dear knows to what point they may lead. If these questions are answered, some person may rise and ask who were in somebody's car and how much they ate.

Mr. WILSON: The reason why I asked this question and why I think an answer should be given, is because I think it is in the public interest. If there has been an extravagant use of private cars, those who are supporters of public ownership as I have been, have a right to ask these questions.

Mr. GRAHAM: I would not say that my hon. friend is not a supporter of public ownership, but I assure him he is making a mistake if he presses for answers to the last questions. I am ready to give him answers to the first two, and have been since the second or third day after they were asked. These answers are:

1. 64.
2. During the period mentioned one car has been added and six retired.

I think the hon. member, on reflection, will realize, not that there is any difficulty in answering the last questions, but that if we do, we open the door to a series of questions

that will become detrimental to the interest of the railway and be of no interest to the public.

Mr. WILSON: All I can say is that I think it is in the public interest that these questions should be answered.

Mr. SPEAKER: Stand.

Mr. GRAHAM: No, Mr. Speaker. This question has been asked to stand for a week on account of the absence of my hon. friend. I have answered the first two questions and I am prepared to give my hon. friend, personally, answers to the others. He has been misinformed in every detail as to the answers to the others. I will go that far. I do not think he wants to do anything that would be detrimental to public ownership of railways.

Mr. WILSON: If the answers are put on Hansard, I can say whether I have been misinformed or not.

CANADIAN NATIONAL EXPRESS COMPANY—TROIS-PISTOLES

Mr. POULIOT:

What was the total yearly amount of business of the Canadian National Express Company branch at Trois Pistoles, county of Temiscouata, Quebec, during the last two years, respectively?

Hon. Mr. GRAHAM:

Year 1923..	$ 6,315 17
Year 1924..	7,042 52

ONTARIO HYDRO-ELECTRIC POWER COMMISSION POWER EXPORT

Mr. GERVAIS:

1. How long has the Hydro-Electric Power Commission of the province of Ontario been exporting electric power to the United States?
2. What quantity in horse-power or kilowatt hours has been exported within the last five years?
3. Has the commission obtained since January, 1925, a license or licenses, to export electric power; if so, for what quantity?
4. From what part of the province of Ontario, or from what power house is said electric power exported?

Hon. Mr. LOW:

1. Since August 1, 1917, under the name of the Ontario Power Company of Ontario and also since the 1st November, 1922, under the name of the Toronto Power Company. Since April 1, 1924, under the name of the Hydro-Electric Power Commission of Ontario.

2. 2,018,874,350 kilowatt hours.

3. Yes, one license for eighty thousand (80,000) kilowatts and one license for forty-five thousand (45,000) kilowatts of "off-peak or interruptible power."

4. Niagara Falls, Ontario.

WORKMEN'S COMPENSATION—POSTAL SERVANTS

Mr. IRVINE:

1. Does the Act 8-9 George V, chap. 14, chap. 15 as amended, assented to May, 1918, and June, 1919, to provide compensation where employees of His Majesty are killed or injured while performing their duties, apply to postal servants generally?
2. Who are the administrators of the act?
3. What are the benefits, if any, to the service by making application to come under the above act?

Hon. Mr. MURPHY:

1. No. The scope of the Dominion act is determined by the Workmen's Compensation Act for each province.

2. The provincial Workmen's Compensation boards, and in provinces having no board, the Deputy Minister of Railways and Canals.

3. The provision of an established and uniform procedure for dealing with cases coming within the scope of the Compensation Act for the province in which the employee is engaged.

CLARKE STEAMSHIP COMPANY

Mr. BOURASSA:

1. Is the government aware that the Clarke Steamship Company, to which it grants a subsidy, so as to help it to give a regular service to the people of the north shore of the St. Lawrence, has rented two American vessels carrying the American flag and equipped by Americans?
2. If so, is it the intention of the government to put an end to such a situation so injurious to our Canadian sailors?

Hon. Mr. LOW:

1. No. The two steamers referred to, which have been chartered by the Clarke Steamship Company for the north and south shore services, are of British register and will fly the Canadian flag and carry Canadian crews when employed in the subsidized services referred to.

2. Answered by No. 1.

SOLDIERS' CIVIL RE-ESTABLISHMENT—PERMANENT EMPLOYEES

Mr. MANION:

1. Have any employees of the Department of Soldiers' Civil Re-establishment been given permanent status by the minister without reference to the Civil Service Commission?
2. If so, what are the names and salaries of such appointees?
3. Under what authority was such permanent status given?

Hon. Mr. BELAND:

1. No: but certain officers of the department who have been employed for some years in positions of "continuing indeterminate duration" have accordingly been certified by the minister to be "permanent".

2. The following officers have been certified to be permanent:

Name	Salary
Arthur, C. G.	$4,000
Bell, C. A.	4,000
Biggar, Dr. J. L.	4,500
Boyd, G. H.	5,000
Carmichael, Dr. D. A.	4,500
Flexman, E.	5,000
George, W. H.	4,000
Graham, C. C. P.	2,640
Hewitt, Dr. S. R. D.	5,000
Hodgins, G. W. F.	4,020
Johnson, Dr. G. R.	4,800
Meikle, A. U.	3,600
Morrison, G. F.	4,500
Macaulay, Dr. M. A.	4,800
Macfarlane, G. S.	3,240
McIvor, Dr. N. K.	4,800
Oliver, J. P.	4,000
Proctor, Dr. A. P.	4,800
Sloman, H.	2,640
Thomas, Mrs. A. H.	1,680
Tucker, C.	3,240
Wickware, Dr. J. W.	4,800
Williamson, Dr. H. J.	4,500
Wright, A. M.	4,000

3. A "permanent officer, clerk or employee" is defined by the statutes as "a person who is appointed during pleasure to perform the duties of an office or position of continuing indeterminate duration by act of parliament or by order of the Governor in Council in the competent exercise of subsisting executive powers in that behalf, or under and in pursuance of authority in that behalf conferred upon an officer or agent of the crown by act of parliament or by order of the Governor in Council as aforesaid". The Deputy Minister of Justice has advised that the minister is competent to make such appointments under para. (b) of sub-section 2, of section 5, of the Department of Soldiers' Civil Re-establishment Act as amended by chapter 67, 14-15 George V, and the regulations thereunder, (P.C. 114/1818 of the 17th October 1924).

GENEVA LABOUR CONFERENCE—MR. W. L. BEST

Mr. McISAAC:

1. In what capacity did Mr. W. L. Best attend the Labour Conference at Geneva in 1923 or 1924?
2. What amount was paid him for his services?

Hon. Mr. MURDOCK:

1. Mr. W. L. Best was accredited as a technical adviser to the delegate representing the workpeople of Canada at the sixth conference of the International Labour Organization held in Geneva, Switzerland, commencing June 16, 1924, on the recommendation of the Trades and Labour Congress of Canada and in accordance with the provisions of article 389 of the treaties of Peace, which sanction the appointment of a workmen's delegate and of advisers to the workmen's delegate "chosen in agreement with the industrial organizations...which are most representative...of workpeople".

2. Mr. Best received no remuneration for his services.

MR. HENSHAW

Mr. IRVINE:

1. Was Mr. Henshaw Acting Immigration Agent at York, England, in 1923 and 1924?
2. Is he still in the service?
3. Is he a permanent or temporary employee?
4. Was he appointed by the Civil Service Commission after examination?
5. If so, when?
6. If not, how was he appointed?

Hon. Mr. ROBB:

1. Yes.
2. No.
3. Answered by No. 2.
4. No.
5. Answered by No. 4.
6. The transfer of Mr. Henshaw from the Soldier Settlement board was arranged with this department but was not finally approved by the Civil Service Commission.

MISS McDONALD

Mr. IRVINE:

1. Is there a Miss McDonald in the employ of the Immigration department, as Canadian agent at Inverness?
2. Was she chosen by the Civil Service Commission, after examination?
3. If not, how did she receive her appointment?

Hon. Mr. ROBB:

1. Yes.
2. In view of Miss McDonald's special qualifications, her appointment as agent at Inverness was made by the Civil Service Commission without examination.
3. Answered by No. 2.

UNOPPOSED MOTIONS FOR PAPERS

NOVA SCOTIA TEMPERANCE ACT

Mr. DOUCET:

For a copy of all correspondence, statements of investigation, court proceedings, reports, documents and other papers in the possession of the Department of Customs and Excise and the Department of Justice relating to alleged violation of law in regard to intoxicating liquors in or upon any bonded warehouse at Halifax, Nova Scotia, which the Franco-Canadian Import Company is permitted to establish and conduct, or by any person interested or engaged in the business of said import company.

MATANE WHARF

Mr. HANSON:

For a copy of all correspondence passing to and from the Department of Public Works relating to the wharf at Matane, including copies of contracts, if any, or other documents or agreements relating to such wharf.

CRUDE OIL BOUNTIES

Mr. FANSHER:

For a return showing (a) the total amount paid in bounties to producers of crude oil in Canada for each and every year since the passing of legislation providing bounty on crude oil, and (b) the names of persons and companies who received bounty in each of the years that said bounty was paid, together with the amount each person or company received.

CANADIAN NATIONAL RAILWAYS—VICTORIA BRIDGE, MONTREAL

Hon. Mr. MANION (for Hon. Mr. Stevens):

For a copy of a report made during the year 1924, by Mr. H. McLeod, chief consulting engineer of the Canadian National Railways, regarding the possibility of operating street cars over the Victoria bridge, Montreal.

CECIL R. SMITH

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Since the Supreme court has ruled in the case of Cecil R. Smith, admitted bootlegger, that an income tax cannot be levied on the gains derived from illicit business or from the commission of crime; and since this judgment thereby definitely classes bootlegging as a crime; what action does the government propose to take to recover the illegal gains and punish the criminal?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should be glad if the hon. member would put that question when the Acting Minister of Finance (Mr. Robb) is in his place. He is giving the matter consideration at the present time.

Mr. WOODSWORTH: This would seem to me to be a matter for the Minister of Justice (Mr. Lapointe) and not for the Minister of Finance.

Hon. ERNEST LAPOINTE (Minister of Justice): The matter has not yet been considered; I understand that judgment was delivered yesterday.

CANADIAN NATIONAL RAILWAYS

ANNUAL STATEMENT BY THE MINISTER OF RAILWAYS AND CANALS

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee of Supply.

He said: The discussion of the railway situation is at best dry and somewhat uninteresting, and this year I am inclined to think that it will be even dryer and more uninteresting than ever, for the reason that almost every man who spoke on the budget spoke practically exclusively on the railways for the most part and not on the budget itself. The figures connected with the railways have been discussed on all three, I might say all four, sides of the House and there is comparatively little left for me to say that has not been already said, in some cases perhaps said better than I can say it. However, I shall endeavour to place the situation as fairly as I can before the House.

If I violate the rules of the House in referring to a past debate I hope, Sir, that you will not be too critical of my conduct, because I shall be no greater sinner in doing so than were those who spoke on the budget in infringing on my realm of railways. They really answered my speech before I had a chance to make it, and I am sure that if I deal with some things that have been touched upon in the budget debate concerning the railways hon. gentlemen will forgive me and not call me to order.

One of the difficulties in dealing with the railway situation during a budget debate is quite evident to hon. members in the fact that, unless the very closest scrutiny is made by one competent to make it, the attempt to fit the Canadian National finances into the budget must fail. And it must fail for this reason, that whereas the railway year ends on December 31, the fiscal or government year ends on March 31, so that it is almost impossible, without the closest scrutiny by one fully conversant with the handling and weighing of figures, to fit the one into the other. A common error occurred in relation to some figures that I brought down myself regarding additions to the railway debt during the calendar year. The information I gave was absolutely accurate so far as the public were concerned—$90,000,000; but when that came to be fitted into the fiscal year and made a part of the budget debate to show the financial position of Canada, these figures were altogether meaningless, that is, they did not set forth the right situation. I will give an example. Suppose the Canadian National Railways between January 1 and March 31 borrowed $50,000,000; and suppose that after March 31 they borrowed $50,000,000 more: in the calendar year they would have borrowed $100,000,000 but in the fiscal year only $50,000,000. Consequently when the $100,000,000 is taken in order to size up the situation so far as Canada herself is concerned, the figures are

$50,000,000 astray, inasmuch as the first $50,000,000 related to the previous fiscal year. Now, I gave the sum of $90,000,000 and that was for the calendar year; but several gentlemen made the mistake of trying to fit it into the fiscal year. When this $90,000,000 was clarified it really was reduced to $64,000,000, and that amount could have been reduced further by taking into account figures which I think might well have been considered. I am not making this argument to show that there were any discrepancies but merely to point out to hon. members that they cannot well, unless they are accountants, or unless they have accountants to advise them, fit in the federal finances with the railway finances. I am going to discuss the situation from the standpoint of railway accounting, which is the standard for all railways on the continent of America authorized by the Interstate Commerce Commission of the United States.

Another hon. gentleman asked me a question that looked very simple: How many men per hundred miles are employed on the Canadian Pacific Railway and the Canadian National Railways respectively for the year? The answer to that question indicated that there were a greater number of men on the Canadian National Railways than on the Canadian Pacific Railway, but the figures were meaningless although strictly accurate. The Canadian National Express is part of the Canadian National Railway system, and in the answer given the employees of the Canadian National Express were included, while in the information regarding the Canadian Pacific Railway the employees of the Dominion Express were not considered. If the figures were taken on the same basis there would be very little difference between the two in the number of employees per hundred miles; indeed, my study of the figures would indicate to me that what difference there was would be in favour of the Canadian National Railways. This goes to show the difficulty of applying figures unless you have the entire explanation before you.

Let me point out another reason why answers of this kind may be absolutely meaningless although accurate. One railway in 1923 may have some extraordinary repairs to make on account of conditions that may not exist on the other railway. For instance, one of the things that occur on the Canadian National railways, although not to so great an extent in the east, is the handling of snow. Last year, if I remember correctly, the Canadian National expenditure for handling snow and kindred work was one million dollars less than the year before. One railway may employ a thousand men for this purpose, while the other railway, owing to different conditions throughout its territory, may employ only one hundred men. Then, one railway may have its ballasting done by contract, while the other railway, right beside it, may do this work with its own staff. The railway that ballasts its line by contract does not have one single man on its payroll as these men work for the contractor, while the other line doing its own work may have thousands of men on its payroll. So it is impossible to make any comparisons with these figures unless a full explanation is made concerning them.

Now, Sir, I want to deal with the railway situation, not in a pessimistic way at all, because I say at the outset that the showing made by the Canadian National Railways is, under all the circumstances, phenomenal, and I am prepared to sit down and compare the management of the Canadian National system, with all its intricacies, with the management of any other railway in the world. In dealing with the figures I want to have a kindly word for my friend from Vancouver South (Mr. Ladner). He was wrong in his figures; I am not going to argue with him why, but I am going to show that he was wrong. He mentioned the juggling of figures in the fact that a certain amount—I think it was about fourteen million dollars—had been in the Receiver General's hands, and that a goodly portion of it had gone out. He did not think the money had gone astray, but he thought the accounts were juggled. This is the situation. Certain securities were sold, to the extent, if I remember correctly, of twenty-six million dollars. All the money was not needed at the time. It could have been deposited in the bank or placed in the hands of the Receiver General. The latter course was taken and the money was drawn upon as required. This was really a banking transaction as between the Canadian National and the Receiver General, as it would have been had the money been deposited in a bank. Everything is as plain as it can be made. The Canadian National would not hold this fourteen million dollars and be without the interest when the money was not required immediately. As I say, the money has been drawn upon as required, and now as a fact at the end of the fiscal year I think it has all been drawn out but $3,000,000 odd.

Then my friend made another mistake. He gave $913,913,000 as the guaranteed railway debt. This is not so serious, but it is not correct, and I think he would not like it to go unnoticed. Of that amount, only $652,447,283.77, or roughly two-thirds, is guaranteed.

Now, in the meeting of interest charges of the Canadian National Railways, due the public, the company makes no distinction; the interest is paid whether guaranteed or not, but, as a matter of accuracy, a third of these securities are not guaranteed by the government at all.

Mr. MEIGHEN: That was the amount to January 1 last?

Mr. GRAHAM: He was dealing with the annual report.

Mr. MEIGHEN: The 1st of January.

Mr. GRAHAM: My hon. friend from Vancouver South made this mistake, and I am not surprised because it is included in the larger amount; he adds $8,973,000 to the indebtedness of the railway on account of the Central Vermont. But that amount is already included in the balance sheet. It is true—and I want to make it perfectly clear—that this amount, which really means advances to the Central Vermont, is put down as an asset, an amount payable to the Canadian National Railways, but I am free to say that I should not like to pay one hundred cents on the dollar for that asset. Nevertheless, it appears there as an asset, being the amount advanced to the Central Vermont.

But my hon. friend from Vancouver South makes a graver mistake in the mileage and in his accusation of extravagance on capital expenditure. He makes this statement:

> So that about five thousand miles of railway have been built or acquired since 1922. Why this further investment was made we do not know. It may be perfectly justifiable. Nevertheless it certainly involves tremendous capital expenditures and obligations on the part of Canada.

The right hon. leader of the opposition (Mr. Meighen) will have to explain to him (Mr. Ladner) why this five thousand miles was added. My hon. friend forgot altogether to take in the Grand Trunk in his comparative figures. He took the Canadian National Railways as represented by the Canadian Northern system, the Canadian government lines, and the Grand Trunk Pacific. But in the interval the Grand Trunk was added. In one of his computations he leaves out the Grand Trunk, and in the other case the Central Vermont. I must say I think there was no excuse for that error. As a matter of fact, between 1921 and December 31, 1924, it will be found that instead of a large addition having been made to the mileage, as the hon. member for Vancouver South says, the Canadian National system as now operated has a net mileage 100 miles less than it had four years ago.

I was going to deal with some of the figures used by the right hon. leader of the opposition, but with his permission—and I think I will get it—I will leave these until we go into committee of supply where we can deal with details, and there will probably be some discussion. This much I want to point out, though, in reference to it. My right hon. friend says they reduced the debt one year by —I forget how much; I did not clearly gather from reading his remarks whether he meant that in adding to the debt they also were replacing another debt, or refunding, and they were thus reducing on one side and adding on the other. But if he meant he was reducing the indebtedness of the Canadian National, I cannot see how he works it out.

Mr. MEIGHEN: I certainly did not intend that, and I do not think I said so. I know they did not reduce the debt.

Mr. GRAHAM: It looked like that, but I need not argue it further. There is only one way of reducing debt, that is by paying. The money would have to be secured by borrowing either from the government or the public, and in either way it would be a transfer from one to the other and the debt would still remain.

There is one question I should like to mention here, but I will not deal with it at very great length. I refer to the question of whether the guaranteed bonds of the National were charged to the indebtedness of Canada. I do not think there is any doubt that they have never been so charged. I am not arguing whether they ought to be or not, but we on this side of the House, and myself particularly in connection with the management of the National Railways, have been charged with adopting a new plan, that of not adding to the public debt the amount of the guarantees. That never was done. But my right hon. friend will say, and has said, I think, that during his time, in borrowing, the amount of any guaranteed bonds was not added to the public debt because the money was used for refunding.

Mr. MEIGHEN: Not quite. What I said was this: that the total amount guaranteed was equalled and exceeded by the total amount reduced, both by the guarantees and by the cash advances.

Mr. GRAHAM: That is not the way I understood it; I thought there was a question between us as to the adding to the public debt of the securities guaranteed by the government for the Canadian Northern. I say again it has never been done. If the funds secured by the guaranteeing of Canadian National

bonds were for refunding there is no addition, because the indebtedness would stand as it was. Let me take this just as an example. I am leaving out quite a few figures here but I shall reach my point through the ones I give.

In 1921-22 there were two guarantees of $25,000,000, one on the Grand Trunk account and one on the Canadian Northern account. These were used partly for refunding, but not altogether; and not a dollar of these guaranteed bonds was added to the debt of Canada. The Grand Trunk issue was used for the following purposes:

Operating deficits	$ 1,095,007 50
Interest due public	4,966,175 40
Refunding	11,967,596 18
Betterments	1,177,245 89
Materials and supplies	1,000,000 00
Outstanding liabilities	2,980,156 18
Total	$23,186,181 15

Now, there was an issue of $25,000,000 that year for the Canadian Northern, and it came about in this way: the Canadian Northern, as was usually the case, needed money. The government advanced twenty-six million odd, either through its endorsement at the bank or in some other way.

Mr. BROWN: For what year is the minister giving the figures now?

Mr. GRAHAM: The year 1921-22. The government had advanced the Canadian Northern twenty-six million odd. The government, naturally enough, wanted the amount repaid, so the Canadian Northern with the guarantee of the government floated an issue of $25,000,000 in New York for which they received $26,228,163 which they paid the Receiver General. But that did not reduce the debt a cent; it just removed the amount of indebtedness from the Receiver General to the public. That was not refunding; it was merely paying back to the government money the railway had borrowed, but the Canadian Northern bonds were out to that extent. The reason a larger amount than $25,000,000 was secured through the sale of securities ought to be explained, and it is simple: I take it that it was on account of the rate of exchange at that time. Now, what was this twenty-six million odd used for? The figures are as follows:

Operating deficits	$ 5,000,000 00
Interest due public	8,599,507 80
Refunding	4,730,063 03
Betterments	2,725,784 76
Materials and supplies	5,172,807 44
Total	$26,228,163 03

None of these bonds, though guaranteed by the government, were added to the public debt. I am not arguing whether they should be added or not, but what I want to say, in defence of myself and in defence of the Canadian National Railways, is that no deviation has been made in the matter of adding to the public debt—or, rather, not adding to the public debt—on account of the issue of guaranteed securities of the Canadian National Railways.

I think it is fair to the House to tell them here about the financing of the Canadian National Railways for 1924-25. I do this not because it is connected with the fiscal year; not because I am speaking for the Receiver General, but to point out the conditions that have existed during the past year in regard to the borrowing of the Canadian National system. The Acting Minister of Finance and the president of the Board of Directors of the Canadian National Railways have acted in complete unison in this matter; no borrowings have been made, none have been suggested, without the entire approval being first obtained of the Acting Minister of Finance I am particularly interested because I was really acting for the Finance Minister myself on two occasions and assisted in these borrowings. I want hon. gentlemen to read Hansard of the last two or three days and then make some comparisons, if they wish, in regard to these borrowings. The issues during 1924-25 were as follows:

Canadian National Railway Issues—1924 and 1925

Comparison of cost to Railway, Issue Prices and Market Prices—April 23, 1925

Canadian National Issues:

$20,000,000—
Three Year 4 per cent—dated July 1, 1924
Cost to syndicate .. 4.63 Basis 98.25
Sold to public .. 4.40 Basis 98.875

$18,000,000—
Five Year 4½ per cent—dated February 15, 1925
Cost to syndicate .. 4.70 Basis 99.125
Sold to public .. 4.52 Basis 99.875

$17,000,000—
Ten Year 4½ per cent—dated February 15, 1925
Cost to syndicate .. 4.97 Basis 96.25
Sold to public .. 4.80 Basis 97.63

$26,000,000—
Thirty Year 4½ per cent—dated September 15, 1924
Cost to syndicate .. 4.88 Basis 94
Sold to public .. 4.75 Basis 96

It will be noted, in regard to the issue of $20,000,000 of July 1, that the difference between the cost to the syndicate and the rate to the public was not four points, but the difference between .25 and .87½.

Without any desire to make comparisons, I want to point out that in these loans a very favourable rate was obtained, just as a good rate was obtained by the Acting Minister of Finance in connection with other loans. But let me call further attention to

the fact that the conditions of Canada are not thought in other parts of the world to be very serious, and that view is enhanced by the fact that the Canadian National Railways went into the shrewdest money market in the world last year and sold its securities at a better rate than had been secured for some time.

Then, as to our equipment issue. These are the issues under what is known as the Philadelphia plan. They are not government guaranteed, but the amount due on the equipment is amortized each year; in other words, interest and principal are paid each year. The security is the equipment plus 25 per cent, because parliament gives for this issue 25 per cent of the amount, consequently the lending company has security on 100 per cent while they advance only 75 per cent. I have not the figures in my mind, but as to that issue I have been told, and it has been repeated to me lately, that no railway company before that time or since, up to two months ago, had secured as good a rate for their securities as had the Canadian National Railway for its equipment securities. Now I just want to mention another matter for fear we get away from the one prime object of transportation companies, and that is service to the public. There are two branches of this subject: one is service to the public, and the other is the cost of the service. I say without any fear of contradiction that the railways of Canada give as competent a service to the people of Canada as is received by any other people on this earth. If there is any complaint, the service is too good.

Some hon. MEMBERS: Hear, hear.

Mr. GRAHAM: I hear some "hear, hears." but I am afraid they will be, "there, theres," before I get through; but I like to hear them anyway.

The United States railways are often compared to ours. I am quite prepared, Mr. Speaker, to accept the challenge on behalf of the Canadian railways, including the two great systems, and compare the service they provide with the service provided by any railway company in the United States. It is true that during the war the railway service in the United States was confused, and the endeavour that was made to amalgamate a lot of lines without any real connecting links under a government head only made confusion worse confounded. During the war the Canadian railways gave a service infinitely superior to the service given by the United States.

I want to interject another remark here concerning the Canadian railways and the American railways. I am not saying that the railways across the line are not well managed, though they are no better managed than ours, but they do get higher freight rates than we do in the Dominion of Canada. And when any person talks of going over to the other side of the line to better his condition or of being attached to that country, if he went there the first crack would be about a 30-per cent addition to his freight rates. So far as transportation is concerned, we in Canada are served too well for our population.

Having said that in defence of the service in Canada—and I think no one will take exception to what I have said concerning the service of our two great railways—I want now to deal in a measure with the finances. Take, first, our gross revenue. The gross revenue of the Canadian National railways did decrease; the gross revenue of all railways decreased, and some railways in the United States have gone into bankruptcy during the past few months although their rates were much higher than ours. This stress has been felt in regard to transportation I think all over the world, and we have no cause to feel pessimistic about our own railway because it suffered the same fate as all railways. It is no better and no worse, and I emphasize particularly the last sentence, that it is no worse; on the contrary, it has fared incomparably better than the majority of railways on this continent. Now I will give in the words of the two presidents the reasons for our loss in gross revenue. Mark you, I believe that in the Canadian Pacific and in the Canadian National, in Mr. Beatty and Sir Henry Thornton, we have two presidents that will compare with any other presidents of any other lines in the United States or anywhere else in the world. I believe that, and consequently I am quoting verbatim their reasons for the loss in gross revenue. Sir Henry Thornton says:

Decrease in gross earnings, $17,547,305, or 6.93 per cent. This decrease resulted from adverse business conditions which obtained during the greater part of the year throughout Canada and elsewhere. Traffic during the first three months of the year was in excess of that moved in the same period of 1923, but general business suffered a reduction early in April and the depression continued until the end of the year. Due principally to the relatively small grain crop in western Canada the movement of grain to the lakehead was in much less volume than usual and was considerably below the exceptionally heavy movement which took place in the last three months of 1923, with the result that the impetus to active business which a large grain movement usually engenders was noticeably lacking. The movement was also to some extent affected by the disposition shown to hold grain in the country creating an unusual condition and one which business in general had not anticipated.

My friends from the west do not need that explaining, but we in the east perhaps do not understand that so well. In the beginning of the year 1924, on account of the abundant crop the year before, there was a large quantity of grain held for shipment in the spring of the next year, and during the first three months of 1924 the railways had a very large tonnage of grain from the crop of the year before.

Mr. FORKE: I would like to point out to the minister that grain is supposed to be hauled at less than cost.

Mr. GRAHAM: I am not supposing; I am just giving the figures.

Mr. MEIGHEN: The minister is giving the gross earnings, anyway.

Mr. GRAHAM: As the right hon. gentleman has said, I am speaking of gross earnings, not about what was left. The grain tonnage in the early part of 1924 was far in excess of the grain tonnage in the early part of 1925, and greater even than the tonnage in the early part of 1923. So, as a matter of fact, the size of the crop does affect the railways. It may not affect the producer to such an extent, for this reason: He may have a smaller crop and a bigger price, and therefore come out at the same point so far as his finances are concerned. but with the railway it is different, for the railways cannot charge according to what the farmer gets; it has to charge according to the tonnage that is produced.

Now let me give Mr. Beatty's figures:

Gross earnings less by $13,334,933. The decrease in freight earnings is largely accounted for by the much smaller movement of grain and flour, particularly the former, owing to the smaller crop in western Canada. There was also a substantial decrease in the movement of manufactured artices due to the depression which existed in Canada during the major portion of the year. In the circumstances, your directors feel that the results of the company's operations must be considered as satisfactory.

I agree with Mr. Beatty that the result of the operations on both these railways must under the circumstances be considered as satisfactory. I would like to add a few figures just to show how these two managers trimmed their sails to meet the conditions by reducing the cost of transportation.

The mileage of the Canadian National railways was 21,872, and of the Canadian Pacific railway, 13,784. Just at that point let me say that I am often asked questions in this House making comparisons between the figures for the Canadian Pacific railway and the figures for the Canadian National railway, members seemingly altogether forgetting that the Canadian National mileage is fifty per cent greater than that of the Canadian Pacific; so the figures are not comparable to that extent. The figures for the two railways are as follows:

Canadian National	1924	Canadian Pacific
21,872	System mileage..	13,784
$235,588,182	Gross earnings..	$182,502,156
$ 17,547,305	Decrease in same..	$ 13,334,933
$218,343,931	Working expenses..	$145,274,914
$ 14,360,907	Decrease in same..	$ 13,083,165
$171,045,297	Freight earnings..	$123,505,139
$ 14,195,598	Decrease in same..	$ 10,794,416
52,498,614	Tons freight carried..	28,776,386
4,747,724	Decrease in same..	2,076,608
	Earnings per ton mile	
c.1.01	1924	c.0.98
c.0.99	1923	c.0.93
$ 37,233,998	Passenger earnings..	$ 33,900,667
$ 2,051,319	Decrease in same..	$ 2,415,150
22,707,880	Passengers carried..	14,153,500
975,901	Decrease in same..	496,927
	Earnings per passenger per mile	
c.2.71	1924	c.2.66
c.2.71	1923	c.2.63
$ 3,595,261	Earnings from mails..	$ 3,537,662
$ 52,183	Increase .. ..Decrease	$ 34,709
$ 23,713,624	Miscellaneous earnings	$ 21,558,636
$ 1,352,570	Decrease in same..	$ 90,657
$ 44,039,965	Maintenance W & S..	$ 27,277,388
$ 738,479	Decrease in same..	$ 3,499,035
$ 47,972,444	Maintenance of equipment..	$ 32,640,070
$ 4,203,875	Decrease in same	$ 1,684,769
$110,085,033	Transportation expenses.. ..	$ 66,311,741
$ 10,217,416	Decrease in same..	$ 6,418,830
	Operating ratio	
92.68%	1924	79.60%
91.92%	1923	80.86%

These figures, Mr. Speaker, may be of importance a little later on. As I pointed out in the beginning of my remarks the figures given for one year cannot be depended upon to provide a yard stick for measuring operation or expenditure, even capital expenditure. Hon. gentlemen will notice how these two railways reduced expenditure, the one in one direction and the other in another direction. Perhaps next year, or the year we are now in, these positions may be exactly reversed, and what one would save on equipment the other might save on maintenance of way and structures, and the position be reversed.

Now we will take the situation for this year. The decrease in expenditure by the Canadian National on ways and structures was $738,479. The decrease in expenditure on ways and

structures by the Canadian Pacific was $3,499,035. It was stated a year ago, I do not know whether it was in this House, that the Canadian National that year was starving its maintenance of way, while as a matter of fact it has been expending an enormous amount on its maintenance of way and must of necessity do so. But it will be seen by the figures I have given that notwithstanding that large expenditure on maintenance of way and structures a year ago the Canadian National only reduced this expenditure by $738,479. The Canadian Pacific, acting on just as good a business principle reduced this expenditure by $3,499,035.

Now, in the case of equipment the situation is just reversed. To show that the management of these railways runs along concurrent lines the Canadian National reduced their expenditure for this purpose by $4,203,875, while the Canadian Pacific reduced theirs by $1,684,769, the entire decrease in these two items being $4,942,354 in the case of the Canadian National and $5,184,804 in the case of the Canadian Pacific. As I pointed out a few minutes ago the expenditure for snow shovelling for some years is very large. Last year this decrease in the expenditure on maintenance of way and structures was more than accounted for by the amount saved in snow shovelling, which was something over a million.

Now I want to point out to the House how each dollar is expended on the Canadian National comparing the years 1924 and 1923:

	1924 cents	1923 cents
Maintenance of way and structures	20	19
Maintenance of equipment	22	23
Traffic	03	02
Transportation (rail)	50	52
Miscellaneous operations	01	01
General	04	03
Total	$1 00	$1 00

The above figures will be interesting to hon. gentlemen when they come to compare the other figures that they have as to how every dollar, or the proportion of every dollar, was applied.

Now let me take the operating ratio. We have spent a large amount of money, of course, on the Canadian National, and I will deal with that in a few minutes; but the operating ratio on the Canadian National, which is a pretty safe criterion has been constantly decreasing, though this year there is a very small increase owing to the decrease in traffic while the overhead had to be maintained. That is accounted for, to a great extent, by the very large overhead that cannot be reduced. But, as hon. gentlemen know, the greater the traffic the better the ratio. Let me take a period of three years, beginning in 1920, when these systems were separate entities:

4 p.m.

Operating Ratios

	1920 Per cent	1921 Per cent	1922 Per cent
Grand Trunk	96.17	95.53	87.94
Canadian Northern	124.38	109.37	104.85
Canadian Government	123.46	113.85	106.10
Grand Trunk Pacific	170.34	124.21	123.18

I want to take these figures and apply them to the amalgamated line, the Canadian National Railways, and show the House what I have stated, namely, that, with the exception of this year, owing to conditions which I have explained, from 1920, not only the component parts of these lines that were under the control of the government has the operating ratio bettered, but the operating ratio of the Canadian National as a whole has bettered. In 1922, on the combined system the operating ratio was 98.77; in 1923, it was 91.92, and although the railway was suffering under these conditions in 1924, the operating ratio was 92.68. This showing as regards operation by the Canadian National Railways is not discouraging; it is most encouraging to the people of the Dominion of Canada.

Mr. MEIGHEN: Has the minister the corresponding figures for the Canadian Pacific for the past two years?

Mr. GRAHAM: I think they are in the other statement that I have put on Hansard.

As I pointed out some time ago, not a few members have been confused concerning the different figures given as to the mileage of the railways. These different figures are accounted for by the fact that, besides the steam roads, there are electric roads, United States roads, and properties, practically speaking, outside of the system altogether, for instance, the Central Vermont. There are owned and leased mileages. I have had a study made of the mileage giving full explanations, so that hon. gentlemen will have it on record in Hansard and they will know exactly what the mileage of the system is. I had intended to read the condensation of this mileage study and put it on Hansard, but if hon. gentlemen will allow me I will put it all on Hansard and not weary the House by reading this first statement of figures. The condensation is as follows:

Mileage Study		Miles
System steam mileage	21,872 19	
Controlled by constituent companies, but separately operated:		
Central Vermont	483 47	
Thousand Island railway	6 00	
Total steam		22,361 66
Electric		Miles
Canadian National electric lines:		
Toronto Suburban	58 31	
Niagara, St. Catharines and Toronto	61 84	
	120 15	
Montreal and Southern Counties	53 66	
Oshawa Railway Co.	9 43	
Total electric		183 24
Total—all lines		22,544 90

	1923	1924	Changes
Owned mileage	20,296 12	20,267 60	Dec. 28.52
Leased mileage	1,448 72	1,503 70	Inc. 54 98
Trackage rights	106 05	100 89	Dec. 5 16
	21,850 89	21,872 19	

	1923	1924	Changes
Atlantic region	2,760 06	2,803 83	Inc. 43 75
Central region	7,830 91	7,669 24	Dec. 161 67
Grand Trunk Western lines	991 69	991 69	.....
Western region	10,268 21	10,407 43	Inc. 139 22
	21,850 89	21,872 19	

Net increase in operated mileage .. .. .. 21 30 miles

[The details of mileage increases and decreases are as follows]

CANADIAN NATIONAL RAILWAYS

STATEMENT showing Mileage Increases and Decreases by Divisions and Regions of Owned Lines, Lines under Lease or Contract, and Lines under Trackage Rights

Territory	Owned Lines		Lines under Lease or Contract		Lines under Trackage Rights		Remarks
	Increase	Decrease	Increase	Decrease	Increase	Decrease	
Atlantic Region—							
Halifax Division		16·79					H. & S. W. Ry., Granville Centre to Port Wade rendered inactive.
Halifax Division		60·07					Correction.
New Glasgow Division			60·53				Inverness Ry. and Coal Co. taken over April 1st, 1924.
Island Division	0·66						Miscellaneous adjustments and corrections.
Moncton Division		0·08					Miscellaneous corrections.
Campbellton Division		0·74					Miscellaneous corrections.
Edmundston Division	0·24						Miscellaneous corrections.
	0·90	17·68	60·53				Total net increase Atlantic Reg'n. 43·75 mi.
Central Region—							
Levis Division	0·15						Miscellaneous corrections.
Levis Division		0·32					Correction in mileage of joint trackage, Cadorna to Palais Station (C.P.R.), Quebec.
Saguenay Division		0·23					Miscellaneous corrections.
Cochrane Division		115·34					Transferred to Hornepayne Division.
Cochrane Division		131·95					Transferred to Port Arthur Division, West Region.
Cochrane Division	0·77						Extension to Pagwa Sub. at Nakina.
Montreal Division		25·09					Allenby to Donnacona partly dismantled and partly inactive.
Montreal Division	6·26						Donnacona Cut off put into operation.
Montreal Division		0·25					Miscellaneous corrections, etc.
Montreal Terminals	6·09						Transferred from St. Lawrence Division.
St. Lawrence Division		28·6					Hemmingford to International Bdy, dismantled.
St. Lawrence Division						2·53	Trackage rights on D. & H. Ry. relinquished.
St. Lawrence Division		0·69					Transferred to Montreal Terminals Division.
St. Lawrence Division			0·41				Lines leased from Central Vermont Ry., correction.
St. Lawrence Division				2·17			Central Counties Ry., correction in mileage of Glen Robertson -Hawkesbury line due to part of line at Hawkesbury now being used as siding.
Belleville Division		2·20					Belleville North to Belleville Harbour not now operated as main line, included under sidings in 1924 returns.

CANADIAN NATIONAL RAILWAYS—*Con.*

STATEMENT showing Mileage Increases and Decreases by Divisions and Regions of Owned Lines, Lines under Lease or Contract, and Lines under Trackage Rights—*Con.*

Territory	Owned Lines		Lines under Lease or Contract		Lines under Trackage Rights		Remarks
	Increase	Decrease	Increase	Decrease	Increase	Decrease	
Central Region—Continued							
Ottawa Division			0·21				Trackage at Belleville under agreement with C.P.R. not previously reported.
Ottawa Division			0·01				Golden Lake Wye—correction.
Ottawa Division		0·06					Adjustments.
Hornepayne Division (formerly Nipigon Division)	115·34						Kowkash Subdivision, etc. transferred from Cochrane Division.
Hornepayne Division (formerly Nipigon Division)	1·19						Portion at Foleyet transferred from Capreol Division.
Hornepayne Division (formerly Nipigon Division)		0·02					Adjustments.
Hornepayne Division (formerly Nipigon Division)					0·01		Trackage rights over Algoma Central Railway at Oba not previously reported.
Capreol Division (formerly Nipissing Division)		1·19					Portion at Foleyet transferred to Hornepayne Division.
Capreol Division (formerly Nipissing Division)	1·05	0·25					Addition and corrections—Todmorden to Washago, 0·28 miles, Oriole to Donland, 0·14 miles, Sudbury Junction wye, 0·45 miles, Miscellaneous, 0·18,—Deduction Conn. to T. & N. O. Ry. at North Bay, 0·25 miles.
Capreol Division (formerly Nipissing Div.)				0·75			Portion of Donland-Dovercourt Road Line under agreement with C.P.R. but not operated by Can. Nat. Rys.—included in inactive mileage in 1924 returns.
London Division		2·84					Line from Harrisburg to Alford dismantled.
London Division	0·34						New wye at Lynden Junction.
St. Thomas Division	1·02					1·02	International Bridge Co's tracks transferred from trackage rights to owned line.
Totals	126·81	282·97	0·95	2·92	0·01	3·55	Total net decrease Central Region—161·67 miles.
Western Division—							
Lakehead Division		1·63					Midway to Empire Ave. Jct. (Crest Subdivision) reported inactive.
Lakehead Division	0·12						Miscellaneous corrections,
Lakehead Division						0·53	Trackage rights over C.P.R. Syndicate Avenue to C.P.R. Depot, Fort William not now exercised—Included in inactive mileage.
Port Arthur Division	131·95						Transferred from Cochrane Div. Central Region.
Port Arthur Division		27·45					Empire Ave. Jct. to Dog River Jct. (Crest Sub-division) reported as inactive.

Port Arthur Division	.....	2·79	.....	.....	.....	.....	Portion of line at Transcona transferred to Winnipeg Terminals Division.
Port Arthur Division	.....	0·06	0·02	.....	.....	.....	Miscellaneous corrections.
Winnipeg Terminals Division	2·79	.....	.....	.....	.....	.....	Transferred from Port Arthur Division.
Winnipeg Terminals Division	4·20	.....	.....	.....	.....	.....	Transferred from Portage Division.
Winnipeg Terminals Division	.....	0·04	.....	0·01	.....	.....	Miscellaneous corrections.
Portage Division	.....	4·20	.....	.....	.....	.....	Transferred to Winnipeg Termnls. Division.
Portage Division	.....	271·89	.....	.....	.....	.....	Neepawa, Carberry, Rapid City & Rossburn Sub-divisions transferred to Brandon Division.
Portage Dibision	.....	0·90	.....	.....	.....	0·05	Miscellaneous transfer tracks not now included as main line transferred to sidings.
Portage Division	158·15	.....	102·11	.....	.....	.....	Miami, Carman and Pleasant Point Subdivns. transferred from Brandon Division.
Portage Division	0·06	.....	0·12	.....	.....	.....	Miscellaneous corrections.
Brandon Division	271·89	.....	.....	.....	.....	.....	Neepawa Carberry, etc., Subdiv. transferred from Portage Div.
Brandon Division	.....	158·15	.....	102·11	.....	.....	Miami, etc., Subdiv. transferred to Portage Division.
Brandon Division	.....	0·03	.....	0·21	.....	.....	Miscellaneous corrections.
Dauphin Division	.....	38·08	.....	.....	.....	.....	Rhein Sub. incl. Wroxton wye transf'd to Melville Divn.
Dauphin Division	0·43	.....	.....	.....	.....	.....	Miscellaneous corrections.
Melville Division	38·08	.....	.....	.....	.....	.....	Rhein Sub. incl. Wroxton wye transf'd from Dauphin Divn.
Melville Division	.....	0·51	.....	.....	.....	0·01	Miscellaneous corrections.
Prince Albert Division	.....	0·26	.....	0·76	.....	.....	Miscellaneous corrections.
Regina Division	38·17	.....	.....	.....	.....	.....	New and existing lines put into operation as main line—Hodgeville to Neidpath 15·07 mls. Gravelbourg Jct. wye 0·22 mls., Peebles to Handsworth 22·06 mls. wye at Moose Jaw 0·19 mls. So. leg Bdy. wye 0·27 mls. Wye at Talmage 0·36 miles.
Regina Division	.....	.....	.....	.....	.....	1·05	Miscl. transfer tracks not now included as main line transferred to sidings.
Regina Division	.....	0·06	.....	.....	.....	.....	Miscellaneous corrections.
Saskatoon Division	.....	.....	.....	2·34	.....	.....	Miscellaneous transfer tracks not now included as main line—transferred to sidings.
Saskatoon Division	0·94	.....	.....	.....	.....	.....	Connections at Nutana 0·46 mls. Conn. at Yorath 0·22 and wye at Tichfield 0·26 miles.
Saskatoon Division	0·45	.....	.....	0·14	.....	.....	Miscellaneous corrections.
Calgary Division	.....	0·28	.....	.....	.....	.....	Correction.
Edmonton Division	.....	0·73	.....	.....	.....	0·04	Miscellaneous corrections.
Edson Division	.....	0·06	.....	0·26	.....	.....	Miscellaneous corrections.
Smithers Division	.....	0·03	.....	.....	.....	.....	Miscellaneous corrections.
Kamloops Division	18·18	.....	.....	.....	.....	.....	Rehabilitation of Grand Trunk Pacific Line Yelsum to Rainbow Conn.
Kamloops Division	.....	18·58	.....	.....	.....	.....	Can. Northern Line Yelsum to Rainbow Conn. rendered inactive, due to rehabilitation of Grand Trunk Pacific Line.
Kamloops Division	0·98	.....	.....	.....	.....	.....	Kamloops to C.P.R. switch 0·76 miles, Kamloops Junction wye 0·22 miles.
Kamloops Division	.....	0·01	.....	.....	0·06	.....	Miscellaneous corrections.
Vancouver Island Division	3·77	.....	.....	.....	.....	.....	Addition to main line mileage of Cowichan Subdivision.
	670·16	525·74	102·25	105·83	0·06	1·68	Total net increase Western Region 139·22 miles.

SUMMARY

Territory	Owned Lines		Lines under Lease or Contract		Lines under Trackage Rights	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Atlantic region	0·90	17·68	60·53			
Central region	126·81	282·97	0·95	2·92	0·01	3·55
Western region	670·16	525·74	102·25	105·83	0·06	1·68
	797·87	826·39	163·73	108·75	0·07	5·23

	Increase Miles	Decrease Miles
Net Decrease in Owned Lines		28·52
Net Increase in Leased Lines	54·98	
Net Decrease in Trackage Rights		5·16
	54·98	33·68
	33·68	
Total Net Increase	21·30	

	Increase Miles	Decrease Miles
Net Increase Atlantic region	43·75	
Net Decrease Central Region		161·67
Net Increase Western Region	139·22	
	182·97	161·67
	161·67	
Total Net Increase	21·30	

Office of Engineer of Standards,
Montreal, Que., April 20th, 1925

An interesting item to which I wish to call the attention of the House is that of insurance. As one can readily understand, the question of insurance in a system the size of the Canadian National Railways is a very important one. Prior to the present management taking hold of the system, there were three methods of insurance. Of course the government railway lines were never insured; the government of Canada always carried that insurance. When I had the honour of being Minister of Railways and Canals before, I instituted what was known as an insurance fund on the Intercolonial railway, with the result that in 1911 there was a tidy balance to the credit of the insurance fund and all the fire losses on the Intercolonial had been taken care of by that fund. This insurance fund was established out of the receipts of the Intercolonial railway. Some lines under the company system were insured, partly, at least by a fund they had themselves. Others paid out very large sums to companies for insurance. After full consultation, having a competent actuary go into the figures, the management of the railway, in conjunction with the Railway department, came to the conclusion that this system provided enough insurance for a whole company in itself, that is a company of moderate size, and that the company with the government behind it not only could afford to carry its own insurance but could save a great deal of money in doing so. It was not left for the Receiver General to provide the moneys and the Dominion of Canada to carry the insurance through the Receiver General, but each year the amount of the premiums that would go to a company are laid aside in the Canadian National for the purpose of insuring the property. There is still some $2,000,000 or a little over of fire insurance carried with other companies. These policies fall due this year and they will all be brought under the Canadian National insurance fund. The result of this, I think, will be very encouraging.

Mr. MACLEAN (York): Then the government has a publicly-owned insurance company?

Mr. GRAHAM: The Canadian National Railway Company is operating it. The annual premiums paid to outside insurance companies in respect to risks placed with these companies amounted to approximately $1,150,000. This was an annual cash outlay. In addition to this, there was charged to operating expenses and credited to insurance reserves, premiums aggregating $130,000 per annum. An examination of the premiums, as I have pointed out, for a period prior to 1923, shows that there was a great profit in the insurance business as regards these railway properties. So the company, as I have explained, decided to adopt what we call self-insurance. The results of this policy have so far been very satisfactory from the standpoint of the National Railways, as may be judged from the fact that the actual losses in the entire railway system in 1923 and 1924 were only $679,050 and $420,250, respectively, whereas the actual cash paid to private companies for part of the risk carried was approximately $1,050,000. At the present time the cash or securities held in the insurance fund by the Canadian National Railways amounts to $4,074,153. This does not include the merchant marine which also has an insurance fund of its own. This will show to hon. gentlemen, I think, the wisdom of that step, and while we are charging in the expenses the amount of premiums each year, as a matter of fact we have that cash in the treasury, or, if not, we have the amount in bonds. In the Canadian Northern the money for insurance was carried as a book-keeping fund; there was no cash in sight; but the amount in the fund of the Canadian National Railway Insurance Department is in government bonds or cash.

Mr. MORRISON: Does the minister refer just to fire insurance?

Mr. GRAHAM: Yes, on the property.

Mr. ARTHURS: To what fund are the expenses of this insurance department charged?

Mr. GRAHAM: I think this is charged as part of the operating expenses. The insurance department is a department of the Canadian National. As a matter of fact, the expenses ought to be paid out of the insurance fund, although I am not sure whether they are or not.

Hon. gentlemen have heard a good deal about the difficulties of transportation companies in all countries in meeting competition brought about by automobiles and busses on account of the improvement of roads. This may seem small at first blush, but it is a very important matter and it has to be dealt with. The question will arise: Should the railway companies of Canada forsake some of their steam lines and operate busses on short hauls, or should they replace their steam roads on little longer hauls with gasoline or electric cars to take the place of the more expensive steam locomotives and regular trains? This is a problem that is being studied by all railways in the country. One can never say that the busses must be banished. One cannot say that hon. gentlemen must not ride in their automobiles, but

must go in the trains. The question is not one of endeavouring to stop the traffic by automobiles or trucks; it is one of reducing the cost of transportation by the railway companies by some other process. Hon. gentlemen will be surprised to hear that the railway companies of Canada last year, in their passenger service alone, were affected to the extent of $24,000,000 by the automobile. The Canadian National system's share of that sum, in Canada, was something over $8,000,000, and if you add about a million and three quarters on our lines in the United States, you will find that the Canadian National system sustained a loss in gross revenue last year of nearly $10,000,000 in passenger service alone on account of the automobile.

Mr. CAMPBELL: How are these figures arrived at?

Mr. GRAHAM: They were prepared by Mr. G. T. Bell, executive assistant to the traffic vice-president of the Canadian National Railways, who has been making a study and a comparison in relation to the traffic done in certain localities. In the milk traffic alone last year, I believe, the Canadian National lost $130,000 worth of business which it had before. Mr. Bell has been making close study of the situation and perhaps it may be just as well for me to read the statement he makes on this point; it will answer my hon. friend's question. I will read the first page of a statement I have here, giving the findings of Mr. Bell, and with the permission of the House I shall place on Hansard the rest of it giving the opinions of executives of other railways. It all goes to show, as I pointed out a moment ago, the necessity of finding some way, not of driving out the busses, for that cannot be done, but of providing something cheaper than the comparatively expensive steam locomotives and trains we have. The first statement is as follows:

Motor Vehicle Competition

Mr. G. T. Bell, executive assistant to the traffic vice-president, Canadian National Railways, estimates that the motor car (passenger cars and trucks) cost the railways of Canada $24,276,651 in 1923, and more than that sum last year, when motor vehicle registrations rose to 639,114 from 566,486 in 1923.

The above loss was in passenger traffic only. The Canadian National's share of this loss was $8,081,477. To this must be added an estimated loss of $1,747,587 on American mileage, making a total estimated loss of $9,829,064 on the passenger revenues of the system.

Mr. Bell in his report also deals with motor truck competition in express freight service. There are six companies in Montreal and seventy-six in Toronto operating motor trucks in general transportation business, for handling freight and express. There are fourteen companies operating from three to five trucks each out of Hamilton.

[Mr. Graham.]

The trucks, owing to lower operating costs, and being able to select the cream of the traffic, make rates about 25 to 35 per cent lower than railway express rates. Their operating costs are mainly in wages and maintenance of equipment, with no expense for use of the highways beyond a merely nominal tax. It is not practicable to give a definite estimate as to loss generally, but on the item of milk alone it is estimated to amount to $125,000 a year. Practically all milk traffic formerly handled on passenger trains up to a distance of thirty miles is now handled by motor trucks.

Mr. Bell reports 214 auto-bus services in territory competitive with Canadian National Railways, with a daily operated mileage of 385,440. Out of a Canadian National Railway mileage of 22,348, auto-busses serve 3,332 miles, or approximately 15 per cent.

During 1924, 1,524,166 United States motor cars entered Canada and 162,475 Canadian cars entered the United States. It is estimated that this represents a loss of $2,900,000 to the Canadian lines of the Canadian National Railways. In Ontario alone, in 1923, 9,523 passenger cars are shown as registered by commercial travellers. These cars are used to cover towns more quickly than can be done by passenger train.

The memorandum I have received giving other opinions I will place on Hansard:

Railways and automobile competition—L. V. Loree, chairman of the board of directors of the Kansas City Southern Railway, had this to say recently concerning automobile competition:

"There are in the United States some 253,000 miles of railroad. Because of the exhaustion of the resources they were built to serve, construction of competing lines of superior character, the destructive effect of automobile competition and other circumstances, there are as a minimum 30,000 miles that should be taken up and abandoned."

The Railway Age, March 14, contains a lengthy article dealing with the effect of automobile traffic on class 1 United States railways for the five years 1920-24, inclusive. From this article, the following extracts are taken:

"The number of passengers carried in 1924 was 24 per cent less, and passengers carried one mile 23 per cent less, than in 1920. Meantime the railways rendered practically the same passenger service as before. They reduced it slightly in 1921, 1922 and 1923, but in 1924 the number of passenger train miles was only about one-half of one per cent less than in 1920 and the number of passenger car miles was actually greater. This resulted in sharp reductions in the average number of passengers per train and per car. The average per train in 1920 was 84 and in 1924 only 65. The average per car in 1920 was almost 20 and in 1924 only about 15.....

"If the railways, with the average rate in effect in 1924, which was 8½ per cent greater than in 1920, had handled as much passenger business as in 1920, their total revenues from it would have been $317,000,000 larger than they were. This exceeds the total cash dividends paid by the class I roads in any year since 1917. It is entirely logical to assume that in the absence of new influences causing an interruption of the growth of passenger business it would have been larger in 1924 than in 1920. Never but once before in the history of American railroads did their passenger business show a decline after the passage of four years, and in that instance the decline was very small.

"What the facts show is that passenger business and earnings have declined greatly, while there has been no corresponding reduction of service, and that in consequence, although there has been no substantial reduction of rates since 1920, earnings per train mile and per car mile have sharply declined. There has been a general reduction in freight rates since 1921 and no general reduction of passenger rates, but in 1921

passenger earnings were 29½ per cent as great as freight earnings while in 1924 they were less than 25 per cent as great.

"It is commonly assumed that the passenger business the railroads have lost to the automobiles has been principally short haul business. It would appear that this has not been true within recent years. The average journey per passenger by rail increased from about 30 miles in 1914 to 38 miles in 1920. This increase in the average journey was no doubt due to the fact that during these years the traffic lost was principally for short distances. Since 1920, however, the average journey has both declined and increased and is now only slightly greater than it was then. It would appear that as hard surface highways have been built all over the country the losses of short distance and long distance business have been about relatively equal. Have the railways been justified, in the face of this loss of business, in maintaining so much passenger service? They have lost business to the automobile largely because it can be used at any time, and on most lines if the railways had reduced their service they would have lost still more business to the automobile. Furthermore, of course, on many lines they have encountered strong opposition from the public and regulating authorities to reductions of service.

"The problem presented to the railways by the loss of passenger business is a very important one, but the solution, if there is one, is not yet in sight. What appears to be most needed now is the more general introduction on lines of thin traffic of means of rendering the service still required which will be less expensive than the local train pulled by a steam locomotive. At present the chances seem better of devising means of handling passenger business more cheaply than of competing successfully with the automobile for it."

Now, I have no comment to offer further than I have made in this respect, that this is a very serious matter that calls for our best consideration. I shall have to ask the leave of the House to put some more statements on Hansard, but before I do so I may observe this. Before the accounting systems of the Canadian National Railways were amalgamated into practically one it was easy to get at the results of the different entities that comprised the whole system. Perhaps this will be the last year that anything of the kind can be done with success, but I have asked to have a statement made showing the results achieved by the entities so that every hon. member of the House can compare operating results of the various corporate entities of the Canadian National system, with the addition of the Central Vermont. The first document includes the results of the Canadian National system operations, wihch hon. members already have in printed form, and to those results have been added the results of the Central Vermont. This latter road had an operating net revenue of $1,082,624. This operating net, by taxes and non-operating charges, such as rentals, was reduced to $229,206, before fixed charges; and as the fixed charges of the Central Vermont were $1,126,269 the result, after fixed charges, was a deficit of $897,062. This must be added to the system deficit of $54,860,419 shown in the report of the Canadian National system in the hands of hon. members, the figure now becoming $55,757,481.

The second statement has to do with the operations of Canadian lines only. These include the Grand Trunk Company of Canada, the former Canadian Northern system, Canadian Government Railways and the Grand Trunk Pacific. Now I will give a few more figures which I think will be encouraging to some hon. gentlemen. The former Canadian Northern, Canadian Government and Grand Trunk Pacific Railways each showed improved operating results, the Canadian Northern and Canadian Government Railway betterments amounting to $1,500,000 each. The Grand Trunk Pacific operations improved to the extent of $329,000. It will be seen that the showing of the Grand Trunk lines in Canada was poor in contrast with the previous year, the deficit after all charges increasing to the extent of almost $6,000,000. This figure does not include any interest properly chargeable to the former Canadian Northern or Grand Trunk Pacific systems on financing by the Canadian National Railway Company, that aspect of the statement having been rectified by necessary adjustments in non-operating income before charges are met.

The third statement has to do with operating results on Canadian National lines in the United States. These, in round figures, were four millions less in 1924 than in 1923, and the operating net revenues $5,480,162, as compared with $8,580,100 the previous year. There is an interesting passage in this statement, considering what we have heard about the wonderful prosperity in the United States:

The chief loss of revenue was on the Grand Trunk Western lines serving the industrial community adjacent to Detroit and Chicago. The Grand Trunk New England lines produced an operating deficit this year of $482,575, compared with $491,702 for 1923.

Taxes and rentals of the Grand Trunk Western lines are very heavy, and it will be observed that the net revenue of $5,480,162 from operation becomes a deficit of $2,818,727 before fixed charges. Including fixed charges, the total deficit on United States operation was $3,721,258.55, an increase of $1,002,178.69.

With the consent of the House I will put these statements on Hansard. They explain themselves.

STATEMENT No. 1

CANADIAN NATIONAL RAILWAYS

(Including Central Vermont)

INCOME ACCOUNT

YEARS ENDING DECEMBER 31ST, 1924 AND 1923

	1924	1923
Gross Operating Revenue		
Canadian National Railways Lines in Canada	$ 201,224,493 13	$ 214,787,207 46
Canadian National Railways Lines in U.S.	34,363,689 42	38,348,280 15
Total Canadian National Railways	235,588,182 55	253,135,487 61
Central Vermont Railway	8,380,752 39	8,627,980 41
Total	$ 243,968,934 94	$ 261,763,468 02
Gross Operating Expenses		
Canadian National Railways Lines in Canada	$ 189,460,403 90	$ 202,936,658 84
Canadian National Railways Lines in U.S.	28,883,527 17	29,768,179 69
Total Canadian National Railways	218,343,931 07	232,704,838 53
Central Vermont Railway	7,298,127 43	7,677,080 80
Total	$ 225,642,058 50	$ 240,381,919 33
Net Revenue or Deficit from Railway Operations		
Canadian National Railways Lines in Canada	$ 11,764,089 23	$ 11,850,548 62
Canadian National Railways Lines in U.S.	5,480,162 25	8,580,100 46
Total Canadian National Railways	17,244,251 48	20,430,649 08
Central Vermont Railway	1,082,624 96	950,899 61
Total	$ 18,326,876 44	$ 21,381,548 69
Tax Accruals, Uncollectible Revenues & Miscellaneous Operations		
Canadian National Railways Lines in Canada	$ 3,471,164 64	$ 2,895,493 42
Canadian National Railways Lines in U.S.	1,538,069 82	1,261,916 85
Total Canadian National Railways	5,009,234 46	4,157,410 27
Central Vermont Railway	230,656 79	243,696 02
Total	$ 5,239,891 25	$ 4,401,106 29
Total Operating Income or Deficit		
Canadian National Railways Lines in Canada	$ 8,292,924 59	$ 8,955,055 20
Canadian National Railways Lines in U.S.	3,942,092 43	7,318,183 61
Total Canadian National Railways	12,235,017 02	16,273,238 81
Central Vermont Railway	851,968 17	707,203 59
Total	$ 13,086,985 19	$ 16,980,442 40
Non-Operating Income or Charges Net		
Canadian National Railways Lines in Canada	$ 9,298,130 99	$ 6,350,039 31
Canadian National Railways Lines in U.S.	*6,769,820,09*	*9,121,629 11*
Total Canadian National Railways	2,537,310 90	*2,771,589 80*
Central Vermont Railway	*622,761 59*	*843,976 95*
Total	$ 1,914,549 31	$ *3,615,566 75*

STATEMENT No. 1.—*Concluded.*

Total Income or Deficit Before Fixed Charges

	1924	1923
Canadian National Railways Lines in Canada	$ 17,591,055 58	$ 15,305,094 51
Canadian National Railways Lines in U.S.	*2,818,727 66*	*1,803,445 50*
Total Canadian National Railways	14,772,327 92	13,501,649 01
Central Vermont Railway	229,206 58	*136,773 36*
Total	$ 15,001,534 50	$ 13,364,875 65

Fixed Charges

Canadian National Railways Lines in Canada:—		
Interest due Public	$ 37,459,173 25	$ 34,125,745 92
Interest due Government	31,271,043 00	30,157,943 67
	68,730,216 25	64,283,689 59
Canadian National Railways Lines in U.S.:—		
Interest due Public	902,530 89	915,634 36
Canadian National Railways	$ 69,632,747 14	$ 65,199,323 95
Central Vermont Ry. due Public	538,922 04	498,287 61
" " due Can. Nat. Rys.	587,347 05	446,614 78
	1,126,269 09	944,902 39
Total C.N.R. and C.V. Ry.	$ 70,759,016 23	$ 66,144,226 34

Total Deficit

Canadian National Railways Lines in Canada	$ *51,139,160 67*	$ *48,978,595 08*
Canadian National Railways Lines in U.S.	*3,721,258 55*	*2,719,079 86*
Total Canadian National Railways	*54,860,419 22*	*51,697,674 94*
Central Vermont Railway	*897,062 51*	*1,081,675 75*
Total Deficit	$ *55,757,481 73*	$ *52,779,350 69*

NOTE.—In these statements the 1923 figures have been re-stated so as to afford a better comparison with the accounting practices in effect in 1924. The net result, however, is not affected.

STATEMENT No. 2

CANADIAN NATIONAL RAILWAYS

Lines in Canada

INCOME ACCOUNT

YEARS ENDING DECEMBER 31ST, 1924 AND 1923

Gross Operating Revenue

	1924	1923
Canadian National Railways (Inc. G.T.R. in Can.)	$ 80,402,154 45	$ 89.749,404 97
Canadian Northern Railway System	58,100,383 07	60.216,771 82
Canadian Government Railways	43,206,625 72	44,809.781 66
Grand Trunk Pacific Railway	19,515,329 89	20.011,249 01
Canadian National Railways Lines in Canada	$ 201,224,493 13	$ 214,787,207 46

Gross Operating Expenses

Canadian National Railways (Inc. G.T.R. in Can.)	$ 66.326,773 44	$ 72,075,700 29
Canadian Northern Railway System	59,012.363 64	62,810,576 31
Canadian Government Railways	41,858,398 43	44,962,554 84
Grand Trunk Pacific Railway	22,262,868 39	23,087,827 40
Canadian National Railways Lines in Canada	$ 189,460,403 90	$ 202,936,658 84

Net Revenue or Deficit from Railway Operations

Canadian National Railways (Inc. G.T.R. in Canada)	$ 14,075,381 01	$ 17,673,704 68
Canadian Northern Railway System	*911,980 57*	*2,593,804 49*
Canadian Government Railways	1,348,227 29	*152,773 18*
Grand Trunk Pacific Railway	*2,747,538 50*	*3 076,578 39*
Canadian National Railways Lines in Canada	$ 11,764,089 23	$ 11,850,548 62

Tax Accruals, Uncollectible Revenues and Miscellaneous Operations

Canadian National Railways (Inc. G.T.R. in Canada)	$ 1,686,130 15	$ 1,337,608 37
Canadian Northern Railway System	1,083,511 57	988,414 70
Canadian Government Railways	140,744 59	59,186 12
Grand Trunk Pacific Railway	560,778 33	510,284 23
Canadian National Railways Lines in Canada	$ 3,471,164 64	$ 2,895,493 42

Total Operating Income or Deficit

Canadian National Railways (Inc. G.T.R. in Canada)	$ 12,389,250 86	$ 16,336,096 31
Canadian Northern Railway System	*1,995,492 14*	*3,582,219 19*
Canadian Government Railways	1,207,482 70	*211,959 30*
Grand Trunk Pacific Railway	*3,308,316 83*	*3,586,862 62*
Canadian National Railways Lines in Canada	$ 8,292,924 59	$ 8,955,055 20

Non-Operating Income or Charges Net

Canadian National Railways (Inc. G.T.R. in Canada)	$ 5,310,520 02	$ 2,857,915 34
Canadian Northern Railway System	1,545,671 30	1,844,648 29
Canadian Government Railways	103,135 54	*3,983 96*
Grand Trunk Pacific Railway	2,338,804 13	1,651.459 64
Canadian National Railways Lines in Canada	$ 9.298,130 99	$ 6,350,039 31

Total Income or Deficit before Fixed Charges

Canadian National Railways (Inc. G.T.R. in Canada)	$ 17,699,770 88	$ 19,194,011 65
Canadian Northern Railway System	*449,820 84*	*1.737.570 90*
Canadian Government Railways	1,310,618 24	*215,943 26*
Grand Trunk Pacific Railway	*969,512 70*	*1,935,402 98*
Canadian National Railways Lines in Canada	$ 17,591,055 58	$ 15,305,094 51

STATEMENT No. 2—*Concluded.*

Fixed Charges

Canadian National Railways (Inc. G.T.R. in Canada):—		
Interest due the Public	$ 17,841,521 04	$ 14,179,129 26
Interest due the Government	6,673,459 11	5,999,898 75
	$ 24,514,980 15	$ 20,179,028 01
Canadian Northern Railway System:—		
Interest due the Public	$ 15.188,695 13	$ 15,517,659 58
Interest due the Government	19,528,454 19	18.701,675 52
	$ 34,717,149 32	$ 34,219,335 10
Grand Trunk Pacific Railway:—		
Interest due the Public	$ 4.428,957 08	$ 4,428,957 08
Interest due the Government	2,203,724 37	2,823,801 42
Interest on Receivers' Certificates	2,865,405 33	2,632,567 98
	$ 9,498.086 78	$ 9.885,326 48
Canadian National Railways Lines in Canada	$ 68,730,216 25	$ 64,283,689 59

Total Deficit

Canadian National Railways (Inc. G.T.R. in Canada)	$ *6,815.209 27*	$ *985,016 36*
Canadian Northern Railway System	*35,166,970 16*	*35,956,906 00*
Canadian Government Railways	1,310,618 24	*215,943 26*
Grand Trunk Pacific Railway	*10,467,599 48*	*11.820,729 46*
Canadian National Railways Lines in Canada	$ *51,139,160 67*	$ *48,978,595 08*

STATEMENT No. 3

CANADIAN NATIONAL RAILWAYS

Lines in the United States

INCOME ACCOUNT

YEARS ENDING DECEMBER 31ST, 1924 AND 1923

Gross Operating Revenue

	1924	1923
Grand Trunk Lines in New England	$ 2,595,230 08	$ 3,515,000 00
Grand Trunk Western Lines	29,591,984 53	32,471,522 74
Duluth, Winnipeg & Pacific Railway	2,176,474 82	2,361,757 41
Canadian National Railways in U.S.	$ 34,363,689 42	$ 38,348,280 15

Gross Operating Expenses

Grand Trunk Lines in New England	$ 3,077,805 13	$ 4,006,702 84
Grand Trunk Western Lines	23,881,316 76	23,679,714 70
Duluth, Winnipeg & Pacific Railway	1,924,405 28	2,081,762 15
Canadian National Railways in U.S.	$ 28,883,527 17	$ 29,768,179 69

Net Revenue or Deficit from Railway Operations

Grand Trunk Lines in New England	$ *482,575 05*	$ *491,702 84*
Grand Trunk Western Lines	5,710,667 77	8,791,808 04
Duluth, Winnipeg & Pacific Railway	252,069 53	279,995 26
Canadian National Railways in U.S.	$ 5,480,162 25	$ 8,580,100 46

Tax Accruals, Uncollectible Revenues and Miscellaneous Operations

Grand Trunk Lines in New England	$ 215,088 62	$ 196,809 00
Grand Rrunk Western Lines	1,215,177 96	946,068 69
Duluth, Winnipeg & Pacific Railway	107,803 24	119,039 16
Canadian National Railways in U.S.	$ 1,538,069 82	$ 1,261,916 85

Total Operating Income or Deficit

Grand Trunk Lines in New England	$ *697,663 67*	$ *688,511 84*
Grand Trunk Western Lines	4,495,489 81	7,845,739 35
Duluth, Winnipeg & Pacific Railway	144,266 29	160,956 10
Canadian National Railways in U.S.	$ 3,942,092 43	$ 7,318,183 61

Non-Operating Income or Charges Net

Grand Trunk Lines in New England	$ *1,244,895 65*	$ *1,874,456 34*
Grand Trunk Western Lines	*5,594,937 06*	*7,174,471 63*
Duluth, Winnipeg & Pacific Railway	79,013 62	*72,701 14*
Canadian National Railways in U.S.	$ *6,760,820 09*	$ *9,121,629 11*

Total Income or Deficit before fixed Charges

Grand Trunk Lines in New England	$ *1,942,559 32*	$ *2,562,968 18*
Grand Trunk Western Lines	*1,099,448 25*	671,267 72
Duluth, Winnipeg & Pacific Railway	223,279 91	88,254 96
Canadian National Railway in U.S.	$ *2,818,727 66*	$ *1,803,445 50*

STATEMENT No. 3—*Concluded.*

Fixed Charges

	1924	1923
Grand Trunk Lines in New England:—		
Interest due the Public	$	$ -
Interest due the Government		
Grand Trunk Western Lines:—		
Interest due the Public	622,330 89	635,114 64
Interest due the Government		
Duluth, Winnipeg & Pacific:—		
Interest due the Public	280,200 00	280,519 72
Interest due the Government		
Canadian National Railways in U.S.	$ 902,530 89	$ 915,634 36

Total Deficit

Grand Trunk Lines in New England	$ *1,942,559 32*	$ *2,562,968 18*
Grand Trunk Western Lines	*1,721,779 14*	36,153 08
Duluth, Winnipeg & Pacific Railway	*56,920 09*	*192,264 76*
Canadian National Railways in U.S.	$ *3,721,258 55*	$ *2,719,079 86*

Might I be allowed to point out here, Mr. Speaker, that some confusion has arisen as between the interest on the debt and the accumulation of overhead. Both local papers are very friendly to the Canadian National system, and to government ownership, and they give the management a fair show. But the Citizen in the article I am about to quote makes a mistake concerning the interest due the public. In a recent editorial the Citizen says:

> The people of Canada have to contribute $54,860,419 this year to the private holders of railway bonds, in addition to the whole of the profit that the railway earned.

The deficit was $54,860,419, but in that amount was included $31,271,043 owed to the government.

Mr. MEIGHEN: That is the amount owed to the government, but if you add the amount owed to the public you get away over the $54,000,000.

Mr. GRAHAM: I explained that it came altogether to $69,000,000.

Mr. MEIGHEN: Yes.

Mr. GRAHAM: I am trying to point out the mistake made here. In the Dominion government accounts will be found the entire statement of the amount due both. The situation is this, that instead of $54,000,000 owed to the public in overhead, the amount was $38,361,704. Towards this interest charge the railway provided $12,235,071 from operating revenues. But it supplies more. There is a credit balance of $2,537,310.90 on non-operating account, that is, rentals and various things of that nature. As a matter of fact, the amount of interest owed to the public being $38,-361,704, is reduced by $14,772,327 available from the revenues of the Canadian National itself. The balance, $23,589,377, represents the sum the Canadian National Railway was required to find to complete its interest payments to the public.

Mr. MANION: Would the minister repeat the two figures as to the interest owing by the railway to the government and to the public?

Mr. GRAHAM: The interest owed to the government is $31,271,043, and to the public $38,361,704. Perhaps I am getting on dangerous ground in dealing with this interest, because I am neither an accountant nor a railway man, and I do not pretend to be an expert on figures at all. But, to put it bluntly, one of the difficulties under which we labour is that we are compelled to pay compound interest. I have had several arguments as to the soundness of this, but I will try to explain my position. This one year we have a deficit altogether of interest. We borrow money to pay the principal, including that interest, and we pay interest on the money we borrow. Consequently we are paying interest on the interest of our new borrowings. That is one of the difficulties under which we labour, and I want hon. gentlemen to remember that never was any railway company in the world asked to face such a condition as the Canadian National Railways have been asked to face.

Mr. CAMPBELL: Does the minister not think that the partial remedy would be to write down the capitalization?

Mr. GRAHAM: Oh, I am coming to that. Now, it will be clear to every person, I think, that the very large amounts we have expended year by year were necessary in order to bring this property up to a standard where it might be self-supporting, but the time has arrived when we ought to reduce this capital expenditure as far as possible. It has been reduced year by year. During the four years previous to 1923-24 the average yearly capital expenditure, on investment account, was about $54,000,000. Last year this was reduced to $30,000,000 odd. This year I think I am safe in telling the House that the company is prepared to endeavour to get along with a capital expenditure of $18,900,000. So that we are reducing our capital expenditure to a great extent. It may be asked, why have capital expenditure at all. I reply that so long as you have a railway, you will have capital expenditure. On this system there are millions and millions of dollars worth of trestles that will go to pieces if they are not filled and gradually replaced with permanent structures. All this means capital expenditure, and such expenditure will be required every year, but to reduce it to the minimum ought I think to be the endeavour of the Canadian National Railways and of the Parliament of Canada.

Mr. MEIGHEN: I am not clear on the last figures, the only thing I think I am not clear on. The minister says that last year some $30,000,000 odd was added to capital expenditure. Last year, according to the minister's return and the railway return, about $118,000,000 was added to the National Railways' debt, of which $54,000,000 would be deficit from both sources, which would leave about $64,000,000 in addition. Now, how could there be only $30,000,000 added to the debt when there was that spread of $64,000,000 between the addition to the capital and the deficits?

Mr. GRAHAM: It is a question of bookkeeping. As a matter of fact, these figures are given me to-day as the actual expenditures on capital account last year, not on operation.

Mr. MEIGHEN: What could the balance of $64,000,000 have been?

Mr. GRAHAM: I might explain it this way, the additional capital is not all capital expenditure.

Mr. MEIGHEN: What is it?

Mr. GRAHAM: The deficit is added to the capital.

Mr. MEIGHEN: I know that, but what about the $118,000,000?

[Mr. Graham.]

Mr. GRAHAM: I do not want to go back to explain that again. Ninety million dollars was part of that $118,000,000.

Mr. MEIGHEN: I know that—but perhaps we had better wait until I speak.

Mr. GRAHAM: That would be better. Now, the capital account of the Canadian National Railways is rather a mixed affair. But, for the last three or four years, perhaps before that, we have been reducing the capital expenditure. I want to make it quite clear to hon. gentlemen that the Canadian National management was not handed a railway system; it was handed a conglomeration of various entities all over the Dominion of Canada, many of them having no connection with any other part of the system. The management was told: You take this mass and whip it into some kind of shape so that the various entities will work together. I do not believe any management in the world could have been found to excel the present one in the attempt to bring some kind of order out of the chaos that existed; in linking up the machinery that was handed to them. Do hon. gentlemen know that in this system there are more than one hundred different companies? Criticism has been made of the accounting department of the Canadian National; of the expense of it, and of the tardiness with which the annual report is brought down. But balance sheets have to be made out for eighty-seven different entities before a general balance sheet can be struck off for the Canadian National Railways. It is a marvel to me that they are able to get out a balance sheet at all the same year, because no other company with a railway that is a real railway, the different parts of which are built to work together, has anything of the kind to do. I want to say again that in trying to whip into shape these hundred different companies, keeping separate accounts, as must be done with regard to these entities in the matter of securities—the work done by the Canadian National accounting department is a marvel among railway men in this continent. Let me give you an illustration. Each one of these entities has its own financing. Suppose the Prime Minister represents railway A, and he wants to borrow. Railway B, in the person of the leader of the opposition, endorses the note. He in turn gets the leader of the Progressives to endorse his note. The leader of the Progressives, in turn, gets the whip of the Ginger group to endorse his note. Then, to make the circle complete, the whip of the Ginger group gets the Prime Minister to endorse his note. Now, the financing has not got out of the family, but the financial

transactions have been numerous and the amounts involved are considerable. If more money is wanted for one of these entities, the circle is again completed, but beginning, perhaps, with my hon. friend the leader of the opposition. Now, all these entities and the securities issued, the guarantees given, the relation of one security to the other—which is underlying and which is not—have to be taken into account before we really know what is involved in the whole system. The financing of the Canadian National system is the most intricate thing I have ever tried to study. Hon. gentlemen say we ought to reduce the capitalization. This is my view about the capitalization—

Mr. WOODSWORTH: May I ask, before the minister leaves that point, whether there is any possibility of effecting a thoroughgoing consolidation so that this thing will not continue indefinitely

Mr. GRAHAM: Now, it is not fair for the hon. gentleman to take my speech away.

Mr. MACLEAN (York): Reorganization of the finances is what is needed.

Mr. GRAHAM: As I pointed out a moment ago, reorganization of the finances of this mass is a great task. But until a thorough investigation is made of every security, of the physical value of each line compared with the securities issued on it; of the practicability of each line as a going concern—until that is done, no question of capitalization can be properly considered, because no man in Canada—and I say it advisedly—now understands this system.

Mr. HOCKEN: Z. A. Lash is dead.

Mr. GRAHAM: He understood the Canadian Northern, but he did not understand the Grand Trunk. I am not saying a word in criticism of the financing; it had to be done in that way. But at the present moment, with my concurrence, a thorough investigation is being made of the entire system, the securities on each line, the physical value of each line, and the practicability of its being a going concern, now or in the near future.

Mr. MACLEAN (York): When will they report?

Mr. GRAHAM: When that is done—and the report, I hope, will be on the table of the House at the next session; it will take months to do it. Then the people of Canada and the Parliament of Canada will know exactly what they have and what it is worth. Until that is done we cannot have any reorganization of capitalization, but the moment it is done, I believe, some steps ought to be taken by parliament, in conjunction with the Canadian National, looking to the adoption of an altogether new system of financing in connection with the system.

Under present conditions—and I do not want any person to be disturbed about this—with all this mass of intricacies that nobody has been able to unravel, the Canadian National Railways cannot under any management pay carrying charges if we take into account the amounts advanced by the government. The people of Canada could not stand rates which would be sufficiently high to carry all this under our present arrangement. But there is a note of encouragement: in a portion of these interlocking finances that I have tried to describe by using the leaders in the House as an illustration, there probably is a not inconsiderable amount that can be washed out. If the entities of the Canadian National system owe some of these amounts to each other and not to the public or to the government, intercorporate accounts, if that is the right term, may show that fact; and, as they are all under one system, such obligations could, under proper safeguards, be wiped out; and if any large amounts of that kind be found it will be encouraging to the Canadian National system. Until that is done we will have to go along as we are, but the investigation to which I have referred will enable the people to know what they have and what it is worth. Whether there is amalgamation or co-operation or individual operation this investigation is essential in the first place, so that we can arrive at a definite decision as to what Canadian National ownership means.

It will be seen from the accounts that there is an amount of something over two billion dollars of liabilities of the Canadian National system. But that is hardly a fair statement, though for bookkeeping purposes and in order to show all investments in the National railways in Canada it is essential. From that two billions should at once be taken nearly half a billion that is invested in Canadian government railways, that never paid and never were expected to pay any interest, and which investment is not an indebtedness of the Canadian National Railway system at all. It is true that the Canadian National does not pay interest, but it is nevertheless true that in the statement placed before parliament and the people of Canada, the cost of these government railways is put down as a liability of the Canadian National. To my mind that might well be deducted from the liability of the Canadian National railways.

Mr. MEIGHEN: Is the minister right in that?

Mr. GRAHAM: You will find it in the report.

Mr. MEIGHEN: The cost of the Intercolonial and the Transcontinental?

Mr. GRAHAM: You will find $451,000,000.

Mr. MEIGHEN: As a liability of the Canadian National?

Mr. GRAHAM: It is not an interest-bearing liability, you understand; I tried to make that clear, but it is put down as part of the Canadian National in the two billions.

Mr. MEIGHEN: Oh yes, in the two billions.

Mr. GRAHAM: Let me point out further, every improvement that is made on the Hudson Bay railway, every improvement that is made on the Intercolonial, every improvement that is made on the Prince Edward Island railway or on the Transcontinental, is placed in the estimates of the Canadian National railway; and, although these amounts do not go into the interest-bearing assets, year by year they are added to the capitalized indebtedness of the Canadian National railway. These amounts year by year ought, in the minds of the people at least, to be deducted from the amounts expended by the Canadian National railway.

Let me point out another phase of this question. A company owned line, if it is required by the Board of Railway Commissioners to build a viaduct, for example, has the question of the apportionment of the cost decided by the commission. Under an act passed some years ago—I think I was the author of it myself—the government sets aside a certain sum of money each year, under statute, to be applied to the construction of viaducts throughout the Dominion of Canada, and in that act it is provided that the Board of Railway Commissioners shall apportion the cost, a certain amount to the municipality, a certain amount to the railways, and a certain amount out of this government fund. Now the railways that are under private operation, and these include the company railways of the Canadian National as well, get money out of this fund to assist in the construction of viaducts; a certain contribution is made by the municipalities, and the company pays the balance; but the Canadian National, when it makes an improvement of that kind on the government railways, gets no such aid from any person, but has the cost of that entire improvement charged against the capital account of the Canadian National railway. I say that is another item which we ought to bear in mind when we are discussing the cost of the Canadian National railway.

Now take our United States lines. Hon. gentlemen have spoken in this House—and I am not criticizing them at all—of the expenditure on our United States lines and the service given by them, and some of them have asked that this service be discontinued. Let me point this out to hon. gentlemen: We have several thousand miles of railway in the United States. I pointed out a few moments ago that the duty of service to the community through which a railway runs rests on the railway, because they usually get some compensation for that. A railway company cannot, unless there be good reasons, rob any community of a reasonable service, and when hon. gentlemen opposite tell us that we ought to take up the rails on certain parts of our United States lines, let me point out that these United States lines are under the control of the Interstate Commerce Commission and of various laws and statutes of the United States, and this parliament itself would not have the power to interfere with a reasonable service on those lines or to take up one foot of rail unless the consent of the Interstate Commerce Commission was given. In Canada our own commission regulates these matters largely, but in the United States the Canadian National lines are subject to the Interstate Commerce Commission, and must be so; it would not be right if it were anything else.

Mr. MACLEAN (York): But you could sell them outright.

Mr. GRAHAM: You could sell the stock in them, of course. Just to show you how delicate some of these things are, recently in a certain legislature in one of the states it was charged against the Canadian National that it was spending all the money in Canada, and not spending in the United States the money to which the United States was entitled on account of the mileage there. Of course, there is not any foundation for that statement, but that question was raised, and I heard that without any criticism that legislature, in both houses, passed an act to take over without the consent of the Canadian National or of the Canadian government a certain mileage of the Canadian National railway, which it is stated that state intends to sell to another company. I do not know whether that is so or not, but I am citing that as a matter of public record just to show the delicate questions that sometimes arise in connection with the operation of the Can-

adian National lines in the United States. I want to add this, that on the whole every state in the Union, and the federal government of the United States as well, has given the Canadian National system fair play, and given it just as good an opportunity as if it was one of their own lines.

Now may I be permitted to refer to the question of taxation? That is a live question in the Dominion of Canada with reference to the railways in the various provinces. The company lines, and these are the lines exclusive of the Canadian government lines, pay their taxes now as they did before. The Canadian government lines proper—these are the Intercolonial, the Prince Edward Island, the Hudson Bay and the Transcontinental—being government owned have not paid any taxes. To my mind, while that is constitutional, because you cannot tax the king or his property, I am rather of the opinion that where a government and the people deliberately go into a commercial enterprise they will eventually have to bear some of the responsibility attaching to that commercial enterprise.

Mr. MORRISON: We did not deliberately go into this; we were forced into it.

Mr. GRAHAM: But you are in now.

Mr. MEIGHEN: Is the hon. member for Weyburn (Mr. Morrison) not wrong? We deliberately went into it so far as the Intercolonial and the Transcontinental are concerned.

Mr. CALDWELL: Would the minister be willing to extend that policy to the farms owned under the Soldier Settlement Board?

Mr. GRAHAM: I will consult with my colleague when he comes in as to that, but I have certainly troubles enough already with the railway. As I was pointing out, Mr. Speaker, when the people of Canada go into a great commercial enterprise, whether they are forced into it or go into it, or however it is, I cannot see how they can well escape a portion of the responsibility at least that pertains to that enterprise. Believing that to be the case, I asked the Canadian National management to appoint a committee to consult with the provinces through which these government railways run. Now, mark you, any taxation that is arrived at to be placed on the Canadian National is voluntary by the Canadian National or by the Canadian government, but notwithstanding that, I think there is a moral claim for some taxation. At the present time, government owned land leased to any individual is taxable to this extent, that the tenant of that property can be taxed, although, technically speaking, the property itself is not taxed. That was decided, I think, in the case brought by the city of Montreal some three years ago, when the government of which my right hon. friend (Mr. Meighen) was the head referred the matter to the judicial committee of the Privy Council. It was then decided, if I remember correctly, that the property owned by the crown could not be taxed, but that the tenant of the property could be taxed. Consequently the tenants of various properties along the Lachine canal, for instance, leased by the Department of Railways could be taxed by the city of Montreal. That holds good, of course, all over the Dominion. But there is something further than that. The provincial governments tax company lands unless there be some agreement to the contrary. The municipalities in those provinces tax company lands unless there be an agreement to the contrary. Therefore this committee composed of Mr. Ruel, chief counsel, and Major Bell, one of the directors, has been appointed to confer with the Prime Minister of each province and see if some amicable arrangement can be arrived at by which taxation—I think it ought to be small under the circumstances, the principle being acknowledged—might be imposed by each province, or rather by which a certain amount might be paid to each province and to each municipality in that province. That will cost considerable money, but I believe the governments of the various provinces and the municipalities, under the circumstances will be reasonable, and not expect to receive too large an amount.

Now, Sir, I come to the question of the proposed amalgamation. But before I deal with that question briefly I want to put on record, as I think it is really a splendid showing for the year, these figures—the operating expenses and the operating revenues. During the past year the operating revenues decreased by $17,500,000, and the operating expenses by $14,360,000. The net earnings of the Canadian National, under all the conditions which I have outlined, this year amount to $17,244,251. Now I come to a point where I am not sure that I will agree with anybody. What shall I say about the proposed amalgamation? The hon. member for North Waterloo (Mr. Euler) gave us a most interesting address, as he always does except on the budget.

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: The budget proper, I mean. He dealt with this question in a very

masterly way, and his conclusion was that we ought to have an amalgamation. He also gave us the figure of $100,000,000 that might be saved by this amalgamation. I think my hon. friend from South York (Mr. Maclean) did not give us any figures, but he told us he was strongly in favour of amalgamation and that he believed it would be the salvation of the situation.

Mr. MACLEAN (York): He gave a very exact programme of action that might be taken in the matter. He showed what could be done in the way of cutting out duplication and other changes and the enormous economies that would be effected.

Mr. GRAHAM: I guess he did.

Mr. MACLEAN (York): Yes.

Mr. GRAHAM: I must approach this subject in a careful way. To me monopoly is distasteful in any form. I am not sure that amalgamation at the present time is the proper thing. It may be that, in the future, in the maturing of conditions, amalgamation may be necessary; but I am free to admit that I would like to try out to its fullest extent every other method before I submitted to monopoly of any kind in this transportation question. It has been said that the Board of Railway Commissioners could control. True. I believe our Board of Railway Commissioners is an able body of men, and could control, so far as any such body could, the operation and the cost of our transportation companies, or of one company if there were one. But there are so many things that cannot be controlled by a Board of Railway Commissioners or anybody else outside of competition. Without casting any reflection —because that is far from my idea—I will leave it to any man in any part of Canada, or to any hon. member sitting in this House, to answer this question: Is not the Canadian Pacific Company's service to-day immeasurably better than before there were other lines in their territory? Naturally so. I remember visiting a gathering of farmers once in Regina and they were pointing out to me—this was some years ago—the improvement in the service since another line came in.

5 p.m.

Mr. EULER: Would that not also constitute a strong argument why there should be no Canadian Pacific monopoly?

Mr. GRAHAM: I will come to that. I think my hon. friend the member for Vancouver South (Mr. Ladner) wishes to ask a question.

[Mr. Graham.]

Mr. LADNER: I should like to ask if the improvement of the service of the one line has not meant a great amount of increase in capital expenditure in carrying out improvements on the other line, the net result being an increased burden to the people of Canada in railway debt and in taxation?

Mr. GRAHAM: I should not like to admit that. One of the supreme things is service, and we would not have any railways if it were not that we wanted service. Of course if my hon. friend is prepared to take any kind of service he could have a service operated by horses.

Mr. LADNER: Where is the limit?

Mr. GRAHAM: The limit of service is in the hands of parliament so far as the Canadian National system is concerned. I admit that whether it be the Canadian National or the Canadian Pacific there is no place to get the money to pay expenses except out of the pockets of the people.

Mr. MACLEAN (York): That is the whole case.

Mr. GRAHAM: But I was discussing the question of competition and taking this little instance to illustrate my point. I was saying that I was visiting a large gathering of farmers—that was before they were Progressives; they were just farmers in the west then—and the representatives of all the railways were gathered together in caucus with these farmers. The farmers were not hanging on to the railway representatives to find out if they could get cars, but the railway representatives were button-holing the farmers to see what they wanted in the way of cars, on account of competition. Competition is the only thing that will give a man a car when he wants it. You can have all the railway commissions you like and they cannot control that feature of the service. Competition is the only thing that will give you an improvement in the way of attention on the trains when you are travelling; because if there is no competing system, it is human nature to make as much out of you as possible. I am pointing this out to show that monopolies may become absolutely essential; but at the present time I would rather see our people maintain their courage, maintain their belief in the Canadian National system, and find out if we cannot work out some way by which we can have in Canada not amalgamation at the present time but a co-operation that will give the people the desired service and protect them from monopoly.

Mr. EULER: Is the minister endeavouring to convey the idea that a publicly owned monopoly is on all-fours with a privately owned monopoly as regards service?

Mr. GRAHAM: It is on all-twos; it may not be on fours. A monopoly is a monopoly. I am free to admit that if that is the solution and we cannot get around the problem in any other way, I would prefer a publicly owned monopoly to a privately owned one.

Mr. EULER: That is enough, that will do.

Mr. GRAHAM: For this reason, that a publicly owned monopoly can be controlled annually by this parliament in detail to a large extent and the people's views can be represented, while a privately owned monopoly, no matter how safeguarded, would not be safeguarded with the same close criticism.

Mr. EULER: That was my point.

Mr. GRAHAM: Will hon. gentlemen bear with me for just a few minutes longer? The question of co-operation has been discussed between the heads of the railway companies and myself and other members of the government many times. It is not so easy of accomplishment, as it may appear. Co-operation in the eliminating of certain passenger trains would not be difficult, although the president of the Canadian Pacific put this question to me just few days ago: "You say we are running a lot of trains between here and Montreal. So we are, but I tell you these trains pay. Why should I be asked by you or by the government or by parliament to take off a train that is helping to pay dividends to my shareholders? Is that fair to the shareholders?" That is a matter that has to be considered, because, to my mind, we must not do anything, in either amalgamation or forced co-operation, that is going to frighten capital invested in the Dominion of Canada. At the present time—and I might diverge for a moment—we are being unjustly criticized in England on account of conditions existing respecting the acquisition of the Grand Trunk by the government for the Canadian National system. There are two chief complaints. I say that they are both ill-founded. The first complaint is that the preference and common shareholders of the old Grand Trunk were frozen out in the arbitration or in the settlement with the government of Canada, and that the settlement made gives to other holders of securities, not senior to the holdings they have, remuneration year by year, while under the arbitration they get nothing. Our answer to that was that the Grand Trunk was going into bankruptcy and was practically bankrupt. The government of the day had either to let the Grand Trunk go into bankruptcy or to make some arrangement for taking it over. If it had been allowed to go into bankruptcy, that would have been better financially, perhaps, for the people of Canada at the present time, but the amount that would have been received by security holders in the Old Land would have been very much curtailed, if not in a large measure wiped out. The complaint is that in the arrangement made with the late president of the Grand Trunk they were deprived of any recompense for their investment, but it went to other gentlemen who held securities. I say that there is no foundation for complaint as to the arrangement made with the government of Canada at that time. Why? The common stockholders of the Grand Trunk never had any equity in the Grand Trunk. That stock is not any good now and never was any good so far as return is concerned. What were the conditions? I suppose I should not take up time defending my right hon. friend, but I am defending Canada. The government of Canada found the Grand Trunk practically in bankruptcy. They had to decide whether they would let it go into bankruptcy with all that that meant, or try to make some arrangement to rescue it and get it on its feet. I will not argue whether the latter was the right thing to do or not, but that is what was done. The officials of the Grand Trunk agreed to the proposition. Their action was confirmed by the directors of the Grand Trunk and the action of the directors of the Grand Trunk was confirmed by the shareholders of the Grand Trunk who had the votes. Therefore, it is the shareholders, the directors and the then officials of the Grand Trunk who are to blame if any of the rights of any of the investors were given away to the Dominion of Canada.

Another complaint is made, and I think it is wise to refer to it on account of very misleading despatches that are coming over here from certain sources in the Old Land and on account of the attitude of the press of the Old Land that is either ill-informed or has very ill-digested its information. The other complaint that is made is this. The Grand Trunk Pacific 4 per cent perpetual debenture stock was guaranteed conditionally, by the Grand Trunk. That is not all the investment in the Grand Trunk Pacific, because certain bonds were issued that were guaranteed by the Dominion government, and I want to say now to those critics in the Old Land that those bonds are being taken care

of year by year and that the Dominion of Canada has never declined nor even hesitated to honour any of its liabilities. Interest on bonds, whether guaranteed by the Dominion or the provinces is being paid by the Dominion. This Grand Trunk Pacific 4 per cent perpetual debenture stock was not guaranteed by the government but was conditionally guaranteed by the Grand Trunk Railway Company of Canada, the condition being that the Grand Trunk Railway Company of Canada should have net surplus earnings available for the purpose of the interest. The holders of those 4 per cent debentures are endeavouring to make the people believe that in some way when the Canadian government took over the Grand Trunk, they should have merged into a different position, and that the government of Canada is responsible for this Grand Trunk contingent liability. I say to those security holders, not that you are in the same position that you were in before, but that you are in an infinitely better position than you were in before, because the guarantee of the Grand Trunk will mean something in a few years, whereas under the old condition it would not have meant anything, but the guarantee of the Grand Trunk would have passed out so far as any worth was concerned, if that company had been allowed to go into bankruptcy. In discussions with these gentlemen, they based their contention largely on two things, first a speech made by my right hon. friend.

Mr. MEIGHEN: Will my hon. friend permit me a question first? It is the Grand Trunk's liability to the Grand Trunk Pacific which is contingent on the Grand Trunk earnings?

Mr. GRAHAM: Yes.

Mr. MEIGHEN: Do I understand—I think and I hope I do—that the government acknowledges that, whatever undertaking the Grand Trunk gave itself, that must be lived up to?

Mr. GRAHAM: Surely.

Mr. MEIGHEN: It is because the undertaking of the Grand Trunk does not mature for the reason that there are no earnings, that the government does not acknowledge any liability?

Mr. GRAHAM: That is it. In 1923, the earnings of the Grand Trunk did permit the payment of interest on those securities. The government merely took the place of the Grand Trunk, and it is carrying out the obligations of the Grand Trunk Company and will continue to do so.

[Mr. Graham.]

Mr. MEIGHEN: This point comes in. The government acknowledges that whatever liabilities the Grand Trunk is under must be paid. I quite agree that it has paid them, and properly so. The Grand Trunk Pacific is directly liable for the interest but the government does not acknowledge that the liability of the Grand Trunk Pacific must be paid, as it is in liquidation. That is the difference.

Mr. GRAHAM: Yes; Hansard will have it all clear. But I should like to clarify the matter in a sentence: The Canadian government, no matter what party was in power, has never repudiated its undertaking and never will. I want to point out further that although the government has merely assumed the liability of the Grand Trunk railway under conditions existing, the holders of the securities are in an infinitely better position than they would have been had the Grand Trunk been allowed to go into liquidation.

Now as to co-operation. As I pointed out a moment ago, co-operation in the removal of a passenger train here and there will not get us very far in the reduction of expenses although it will help to some extent. It is not gentlemen who live in the cities at the end of a run who will suffer. Let us take Montreal, Winnipeg, Vancouver, Ottawa or Toronto: it is easy enough for gentlemen from these places to say that we could eliminate many of the passenger trains, because these gentlemen can always get the service they want. If you cannot get the Canadian National you can get the Canadian Pacific. If you are in Ottawa and you are unable to get the Canadian National on the main line you can get the Canadian Pacific, and if not the Canadian Pacific you can take the tunnel line or, if you like, you can go on the Canadian Pacific by the North Shore line if you want to go to Montreal. I repeat, therefore, it is not the man in the large city who would stand to suffer; he has not a particle of an idea as to what the removal of trains would mean, for it does not affect him. You could cut the train service in two between these cities and the people travelling between them would still be able to get their trains. But to people living at Vankleek Hill and Alexandria, and other places between these points, any reduction in the train service would be of considerable significance. Those who live at the extremes would be under no sacrifice if the service were reduced to a considerable extent, but the people in the intermediate sections are affected by any curtailment of train service. Notwithstanding this, however, I think there can be a curtailment of service without injuring anyone.

Mr. HOEY: That would apply to through trains that do not stop at local points.

Mr. GRAHAM: Speaking of through trains, hon. gentlemen perhaps forget that in the transcontinental business the Canadian lines are competing not only with each other but with the American lines as well, and it is not so easy a task as it would seem at first sight to take off any trains. I was an agent for an American line many years ago, and it was surprising how many people crossed the river a few miles from here and took the American railway from Ogdensburg to Chicago, if they could get a little better rate, instead of going on the Grand Trunk or on the Canadian Pacific. And this competition is kept up all the time. I think, however, that savings can be effected and I have asked the two presidents on several occasions to discuss the possibility, although I am free to confess at the present moment that we have not got anywhere so far; we have made no advancement. I am going to request them to come together again to consider the whole question whether it is not possible to come to some arrangement of co-operation that would include not only passenger traffic but an exchange of freight on an equality basis that would prevent duplication.

Mr. MACLEAN (York): The minister might ask them to give their opinion as to what savings could be effected by an extensive system of re-routing.

Mr. GRAHAM: That is included in what I have said. During the war a saving was made as a result of co-operation between the companies, working in harmony with the railway board. But we must remember that during the war the people were willing to make any sacrifice that was necessary; they are not so obedient now. However, I am going to ask the railways to see if they cannot devise some plan by which savings can be effected in this respect, because I frankly confess that at the present time I am not in favour of a monopoly on the part of either private or public ownership. If that cannot be done— and this is not a threat at all—I shall consider advisedly the question of asking the railway commission or its chairman to sit in on the job to see if some satisfactory arrangement cannot be arrived at. One hon. gentleman said the other day, quite rightly, that in his opinion if the problem is to be settled it must be by means of a friendly agreement. But if a friendly agreement cannot be reached then I am going to suggest that by some method the Board of Railway Commissioners be allowed to have some say in outlining a plan that would bring about the desired result without injury to either of the railway companies. As I said before, the capital invested in either of the lines must not be impaired in any arrangement that may be made.

Now, I think I have occupied the time of the House at sufficient length, although I should like to speak longer on the question of co-operation. However, let me say a word in regard to immigration—and I am not going to scold at all, because I believe that everyone has a right to his opinion. This is my opinion, that if the Dominion of Canada, with its far-flung territory, can support only 9,000,000 people then the Creator made a mistake when he made Canada. This great country was not thrown into the universe with the expectation that it should support only 9,000,000, while a country no larger in area maintains 120,000,000. Arguments have been advanced against immigration, but I submit in all modesty that if you sift those arguments they are rather parochial; they are confined to the trouble that may arise for me and my wife or for John and his wife, and they do not extend beyond that. If Canada is to be the country we all want it to be, we must increase the population by bringing in outsiders as well as by following the example of the province of Quebec in home production. We cannot go on with eight or nine million people, scattered over this extensive territory, and expect to be prosperous. We have a transportation system that can support many more people. Had not the war arrived with the calamity that overcame the entire world I am confident that we should have had many more millions of people in Canada to-day and the present transportation problem would not be a problem at all so far as financing is concerned. This country is capable of maintaining at least 50,000,000 people. If every man did not want to have a couple of hundred acres more of land than he can farm, and if he had neighbours on that land who would farm it more intensively, there being less land to every man, it would be better for the Dominion. If we had perhaps just a little less industrialism where there is not a demand for the products of the industry, if we devoted our attention to the development of those things that go to make wealth, always keeping up our industrial progress with our agricultural progress, because they should go hand in hand, then this country need have no fear of the future. And again I appeal to hon. gentlemen who express themselves opposed to immigration, and I assure them that, though they may not, I believe their children will

live to realize that their policy was really a broad-minded policy that made for the fullest development of the Dominion. We have an immigration department in the Canadian National Railways, the Canadian Pacific Railway also has an immigration department, and the Dominion government, of course, has an Immigration department. I am not going to discuss now how these ought to work together. Some day when I have time I intend to go into the railway immigration departments and see what it all means. But I submit again that the real solution of the problems of the Dominion, industrially, agriculturally, and so far as transportation is concerned, is the bringing to our shores of citizens who will become dwellers in this country to their profit and to the profit of the Dominion. That, I believe, is the foundation on which the solution of these problems rests.

Mr. GOOD: Mr. Speaker, may I ask the hon. minister what is the use of getting men in here if we cannot keep them?

Mr. GRAHAM: Mr. Speaker, that is just the kind of question to which I was referring. Will my hon. friend allow me to say something to him straight from the shoulder? If my hon. friend would be a leader and not a follower of his people, and if other men like him would be the same, we would not have so much talk about not being able to look after our immigrants. I represent a rural constituency right beside the city of Detroit, and people are going and coming all the time. But I want to say this to my hon. friend and to others that in the development of public opinion a member of parliament has very great responsibilities, and his doctrine becomes the doctrine of 75 per cent of the people. There is no question about that. If men in the House of Commons and in the Senate, if men on the bench and other outstanding leaders, will take it into their heads to say, "We believe in Canada; we are here to stay; the problems of Canada are our problems; the problems of the railways of Canada are our problems; we are able to solve them and are going to solve them,"—if we would all do that and go ahead and put our shoulders to the wheel only to a measurable extent that our forefathers did, there would be no question of the solution of our problems, there would be no question about the future of this Dominion.

Mr. GOOD: Might I put this further question to the minister: Have any members in this quarter of the House deplored immigration, as such? I do not know of any.

[Mr. Graham.]

Mr. GRAHAM: Oh, yes. I do not want to go into the question of immigration, but I believe it is a solution for our difficulties. Not a great many, but a few behind my hon. friend and in other parts of the House have said, "What is the use of having immigrants come to Canada? We cannot live ourselves, so what is the use of bringing other people here?" My hon. friend's own question was pretty much along that line. That means there is nothing for immigrants to do in Canada I am prepared to go a long way and say that if the men who come to Canada, or the men who are already in Canada, will show, even to an approximate degree, the stamina of their fathers and grandfathers, there will be more work and more men working.

Mr. McQUARRIE: May I ask the minister what class or classes of immigrants he would allow to come into Canada that are not allowed entry now?

Mr. GRAHAM: Mr. Speaker, you know these gentlemen here are pretty good representatives of the kind of men I would want to come to Canada. They have done well here, I believe better than they would have done anywhere else. There are numbers of men in this group here who will agree with me that their success is a striking example of what young men coming to this country can do if they want to succeed. Now, Sir, I am about through, and I do not think I can enter into a discussion with my hon. friend from New Westminster (Mr. McQuarrie), but, although I am pretty broad-minded on immigration, I am not strong on oriental immigration—I tell him that; but outside of orientals I would blink a good deal at other qualifications if I knew the men were in good health and willing to go to work.

Mr. JACOBS: Will the minister tell us why he lectures the member for Brant (Mr. Good) and not his own government on this question?

Mr. GRAHAM: When my hon. friend becomes a member of the government he will know more about these lectures. He will know that there are internal and external lectures—the internal are not delivered here.

Now, Mr. Speaker, I have dealt with this question pretty exhaustively, and I have tried to make it clear. I want to say again, there is no need for pessimism about the Canadian National Railways; co-ordination or co-operation ought to be tried out before we talk of amalgamation; and above all, we ought to endeavour to solve this problem by filling up our waste spaces, so that we will have the benefit

of competition without any exorbitant freight or passenger charges.

I want to add a few words in reference to the complaints of the holders of Canadian railway securities living in the Old Land. If I have not made anything else clear, I hope I have made it perfectly plain not only to the members of this House but to the country —because the honour of Canada is very dear to our people—and certainly I want to make it clear to the financial papers and the financial men of Great Britain, that Canada always pays her debts, but she will not be stampeded into a position that there would be no justification whatever to force her into.

Now, Mr. Speaker, I have an announcement that I think will help considerably. Hon. gentlemen will have noticed in the Supplementary Estimates of this year an item of $7,500,000. As I have stated before, the railway year ends on December 31. These estimates are made up about that time. I asked the Canadian National Railway board to give me an estimate so I could put it in the supplementaries before the end of our fiscal year, March 31, covering everything that might be required for that year. I am prepared to tell the House now that they will not be asked to vote that $7,500,000 because it will be withdrawn; we can get along without it.

I have another announcement to make which I think will be encouraging. I have conferred with Major Bell and the officials of the Canadian National Railways, and they have been going over very carefully and fine-combing the estimates brought in by the Canadian National Railways, and then fine-combing them again, in an endeavour to see if we could not get along with a less amount of money this year. Now I have the pleasure of being able to tell parliament that when we are in committee of Supply I will ask one of my colleagues to move that the sum of $60,000,000 be reduced by $10,000,000.

I apologize to the House for having taken up so much time—

Some hon. MEMBERS: Not at all.

Mr. GRAHAM: —but I wanted to make clear the position of the Canadian National Railways so far as I possibly could. In conclusion, I repeat once more that there is no need for undue pessimism on the railway situation, there is no need for pessimism on account of the situation of the Dominion. We are in as good a position, or better, than most of the other countries of the world, and all we want to make this country prosperous and solve our railway problem is to have greater courage ourselves. Let us lead the people along the right lines and show them where they ought to go—not tell them where they ought to go, but lead them in the direction in which we think they ought to go; and, in addition to that, let us bring into the Dominion as many people of the proper kind as we can, for to my mind this to a large extent is the solution of all our difficulties.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I am not going to enter any complaint at all as to the length of the minister's address. It was much more complete than has been customary, and the House is that much better off as a result. The only thing I regret is that the minister chose Wednesday to commence a debate of three hours of which the first speech would occupy two and a half. However, I am sure arrangements can be made to continue for a reasonable time at a later date.

Mr. MACKENZIE KING: Would my right hon. friend object if we went into Supply and continued the debate to-morrow?

Mr. MEIGHEN: I am prepared to go on until six, but I cannot possibly finish by that time; and hon. members to my left and others are entitled to speak as well.

I wish to pay my compliment to the minister not only for the good temper and spirit which he treated the subject—which is always his characteristic—but as well for the marked fairness with which he treated his political opponents, and especially the late administration. In this relation I join with him emphatically in his definition of the conduct of the late government in respect to the Grand Trunk railway and its shareholders, and in his description of the position this country assumes before those shareholders and the investing public generally. I know of nothing ever advanced against a country or a government more utterly unfounded and absurd than the complaints of Grand Trunk shareholders as respects their treatment in the late negotiation and arbitration between them and the government of Canada. I do not think the blame is attributable wholly to the shareholders themselves—indeed, only in a meagre degree. The fact is that the Grand Trunk Railway directorate, principally by its Grand Trunk Pacific adventure but as well by its inefficient long distance management of the system, had themselves over a series of years wrecked the enterprise; and over those years, while their enterprise was being wrecked by themselves, they did not disclose the full facts to their shareholders, with the result that in the end the shareholders were taken

by surprise and were led by the directorate to believe that the sad fate which had overtaken them was the consequence of harsh treatment by the government of Canada. The minister is entirely right when he says that if we had not opened, at their request, negotiations with the company, the result would have been the bankruptcy of the Grand Trunk. Following that bankruptcy there would necessarily have been liquidation and sale. To avoid this consequence, and as well to show that we were prepared to treat shareholders outside of Canada in precisely the same way as we treated shareholders in Canada, we first of all offered a certain definite amount per year, increasing with the years, distributable among the shareholders by the directorate themselves, as a purchase price of the system. No similar offer was made the shareholders of the Canadian Northern. Over this offer they deliberated for almost a year. They verbally rejected it from the beginning, and finally in definite form rejected it. Had they accepted, it would have meant something to the shareholders who now complain—it would not have meant much, but something. An alternative offer which we made they accepted —an offer of arbitration. And it would be no information to the House to be told that in respect of the phase of the agreement to which the minister has referred—the phase which declared that the moneys we were paying by way of annual outlay to the shareholders should go to the guaranteed stockholders first and that only what should be awarded by the arbitrators should go to the holders of preference or common stock—was naturally dictated by the Grand Trunk directorate itself. It did not matter a whit to us how the money was divided. It did not matter a whit to us whether the guaranteed stockholders were paid in whole or whether a part of the moneys were left over to be paid to the preference stockholders. Naturally the government of Canada was not interested; if the directorate had preferred that only a percentage of the moneys we undertook to pay should go to the guaranteed stockholders, leaving a balance for the holders of preference and common stock, the government would have immediately concurred. In a word, the disposition of the moneys we are paying to the bondholders of the Grand Trunk Railway is a disposition not only concurred in but stipulated by the Grand Trunk directorate themselves. Consequently, to enter complaint about it because, first of all, negotiations to take the road over on an arbitrated basis were entered into by ourselves as an alternative to liquidation, is, to say the least, unfounded; but to complain that the disposition of the moneys that still are being paid is not fair as between themselves is nothing short of absurdity. I think the misconception has largely arisen because of the failure of the shareholders to realize the position their company was in before the negotiations commenced, a position described by their own president as the very end of the resources, the very brink of liquidation itself.

Now, I believe all concur that the shareholders were treated with absolute fairness. I think also all concur that the people of Canada were treated with absolute fairness in that negotiation. I have never heard anyone complain that there was any unfairness either way —that is, anyone who understood what was done. The only reason I mention that is this: not in this debate but in previous debates, calumny has been hurled against the late government because in a previous arbitration, or as a result of it, we paid to the shareholders of the Canadian Northern $10,000,000. In the case of the Canadian Northern precisely the same steps were taken as in the case of the Grand Trunk, and if there was fairness to Canada in the one there was absolute fairness in the other. I know it is true that the member for West York (Sir Henry Drayton), in an investigation conducted by him where the Canadian Northern were not represented, found that in his judgment there was not absolute value in the shares. But he did not conduct a trial; he expressed an opinion, and he recommended besides that though there was not absolute value, in view of the services rendered something should be paid, and paid by annual levy. But because someone, no matter how high he may be in authority, says that another man's property is worth nothing, that is hardly a justification for the state putting its hand upon it and taking it. I never knew of any country on earth since civilization was matured being guilty of conduct of that kind. In addition the fact was that these same shareholders were in negotiation for the sale of those exact shares to a rival company—a negotiation which, because we were animated by the principles advocated by the minister to-day, we stepped in and prevented. Under those circumstances it would have been nothing but confiscation, if not larceny, for the government of Canada by main force to seize the shares and tell the shareholders we would value them; that the owners would have nothing to say about it. And the board which valued them was a board of as high standing as any board that ever sat in Canada, judicial or

otherwise, of just as high standing as the board which decided the value of the shares of the Grand Trunk. I have never heard yet any method suggested that would be fairer to the shareholders or to Canada than the method adopted.

Before I leave this subject I want to make a reference, just as an expression of appreciation, to the hon. member for George Etienne Cartier (Mr. Jacobs) for the frank and manly way in which he answered a question anent this same subject put to him by myself. Standing now some years in advance of the events he freely said that under the circumstances that surrounded the late administration, precipitated upon it by years of railway disasters, we had no course save the course we pursued, to amalgamate all these four systems into one and that we had no way of amalgamating them save under government ownership. There was undoubtedly no other course, no other alternative that presented itself that was thinkable to the people of Canada, and the member for George Etienne Cartier is to be commended because he opposed it along with others at the time, but now freely admits that it was a case of Hobson's choice—there was nothing else in the world for us to do.

May I add, and in this I invite criticism if I am wrong, I judge from several addresses made by the minister in this House that that is the opinion of the minister himself. I think I could go further and say there are, not two or three, but many more hon. gentlemen opposite who will at this date conclude that we took the only course that was open to us. However, this question does not arise now. We are now facing the future, not the past.

The minister in the course of his remarks rather intimated at one stage that the present directorate found the system in a state of chaos. As establishing this state of chaos he gave the House, what is true, that it is composed of very many companies, inter-related in various ways, numbering perhaps nearly one hundred; that separate accounting must take place for each one; that all these are joined one with the other by ownership of stock, by leases by inter-guarantees of obligations; that consequently it is a very complicated system; and that because of those complications the present directorate have been under a handicap and are endeavouring to produce something more simple, something more ordered out of the morass. Now I admit it is complicated, but when I say it is complicated I do not want anyone to think that I admit it is in chaos, or ever was. Complication and chaos are two different things. The complication you cannot avoid.

When the Canadian Northern railway was unified and made a real system in 1914, and when the government of Canada took 40 per cent of its stock, there were in that system I think 39 different companies, and the variety of relationship was vast. Apparently it was very complicated indeed, unnecessarily so; but the fact is it was certainly not unnecessarily complicated, and it was not a truth that the real position of each of those companies and the real relation between them was not fully understood. No investigation was necessary to find out the exact financial standing of any single one of the 39 different companies composing the system, or the relation of any one to any other. The treasurer of the Canadian Northern railway at that time and his staff—I refer to the treasurer in particular because he was a man of eminence in his profession, and indeed marvellously competent—the treasurer could tell you at a few hours' notice the exact position, the assets, the liabilities, the guarantees, the contingencies, and all the rest, of any one of these 39 companies.

Hon. members may wonder why it is that so many of these elements are necessary to make up the composite whole. Well, there are various reasons. In the first place, there are certain of the properties in the United States, in different states of the United States. I refer now to the Canadian Northern; there were only two in the case of that company. There must be separate companies for those properties; the laws demand it. In the next place, not for the sake of complication or difficulty, but for the sake of the very opposite, simplicity of organization, it is found advisable to have a separate express company, a separate baggage company, a separate telegraph company. All these have their stocks pooled and owned by the parent. This is essential; it is the part of wisdom; it is not complication at all. Similarly, there are many properties necessarily held by lease, for 99 years, perhaps 999 years, under separate companies. That proved the easiest way to acquire the property, and it is necessary to keep it a separate company while that exists. It is not a case at all of clumsy or unintelligent management. It is the history of all great corporations, especially railway corporations. The Grand Trunk was in exactly the same position. They had to have several American companies; they had several American properties under lease; they had all the paraphernalia of a railway organization here, and I believe their component elements even outnumbered those of the Canadian Northern.

And the Grand Trunk Pacific, though young in life, had developed quite a system of its own. It owned hotels under one company, one hotel under one company and another hotel under another company, just as the Canadian Government Merchant Marine to-day, even though it is only some five or six years old, has a company for every boat. This is the act of the government itself; it is the act of every marine corporation.

So I say the fact that there are all these elements, with inter-guarantees, while it makes it complicated, it is true, does not by any means make it impossible of being understood. In fact, it can be quite clearly understood by application, by persistence, and is fully understood by those having the actual supervision of the enterprise itself. There was no chaos to unravel; there was a complication to understand. There was a system just in the sense that the Canadian Pacific railway is a system to-day, and I venture to suggest that if the Canadian Pacific railway is analysed at this hour, it will be found no less complicated in this respect than the Canadian National is now. I venture to suggest that the number of elements which compose it, and the relation of those elements the one to the other is just as extensive as that which pertains to our own road.

The minister, as well, made some reference to complication that arises from the distinction of the government fiscal year from the railway year. There may have been some conflict because of ambiguity there: at the same time, there is no need of it. I do not know where the $90,000,000 came in that the minister referred to. I remember the hon. member for St. Lawrence-St. George (Mr. Marler) complained that the hon. member for West York (Sir Henry Drayton) had had the two confused, but I read the speech of the hon. member for West York, and he did not have them confused at all. The hon. member for West York was referring to the railway year in each case, and plainly said so. In dealing with the railway we just have to remember it is the calendar year always; that is a very simple fact.

It is true that we must maintain separate financing for our railway system and for the government of Canada. This is essential; it is obviously essential. The railway system is a great corporation which we own, the government of Canada is something distinct and wholly apart. That there must be separate financing, separate books, a child would never dispute; but all that has ever been complained of is not the keeping of a certain account, it is the faithful presentation of the joint and total result at the end so that the people of Canada will know with accuracy whether in the twelve months we have gone forward or back—that is all that ever was demanded or ever could be justly demanded.

Mr. GRAHAM: Six o'clock.

Mr. MEIGHEN: I will finish another short subject. It has been said by the minister that the same method has been adopted in the bookkeeping, and he rather complains that in the budget debate we dealt with railway subjects. We cannot help it; the railway question must come into the budget debate—that is to say the financial side of the railway problem. The minister presented it. He is right in presenting it; it must always be done, and the budget debate must cover the financial phases of the railway situation. It covered this year our liabilities in respect of guarantees. Complaint was made that if this government has failed in not adding the railway additions to our railway debt the old government had done the same thing. I sought to show that the old government had not done the same for the reason that wherever we had incurred a debt for the railways we had in one way or the other reduced the railway funded debt by a like amount. Now the Minister of Railways presents figures to show that while we reduced the railway funded debt we did not do so by the amount of our guarantees. He states, and states correctly, that the guarantees were $100,000,000. I gave figures to show, and established right from the reports of the railway companies, that the funded debt was reduced by $112,000,000. But the minister says that of that $112,000,000—and his figures agreed with mine save for this one item—the amount $25,000,000 while a reduction of government debt was not a reduction of funded debt. If he is right that $25,000,000 should not be included. Certainly it was money that came right back to the government, but if it was not a reduction of the company's funded debt then it should not be in any way included in the amount by which, I say, the funded debt was reduced. I will look into it. But the minister admits that of that $25,000,000 the sum of $4,730,000 was a reduction of the funded debt. Add that to the figures which I gave and you have $117,000,000. Taking off the $25,000,000 you are only $9,000,000 "shy," and I did not go fully into the funded debt reductions on the Grand Trunk Pacific. But suppose the $5,000,000 was short, and that we had not reduced by $9,000,000 the funded debt, we had not reduced the whole amount that we have guaranteed, the presentation was made by this

government; it could not have been made by us. If there was a failure to reduce by the amount of our guarantees when the budget was presented in 1923, then the present government should have made clear in the spring of 1922 in the budget presentation that in addition to our ordinary debt, there should be superadded some $9,000,000 addition to the railway debt not represented by refunding.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: What motion?

Mr. SPEAKER: The motion to go into committee.

Mr. MEIGHEN: We could not adopt that motion at present. I want to speak further on this subject if I may.

Mr. MACKENZIE KING: May I suggest to my right hon. friend that if the motion is adopted he can continue his speech tomorrow. If that is not done he cannot continue until next week.

Mr. MEIGHEN: If I can continue tomorrow that is all I could ask.

Motion agreed to and the House went into committee of Supply, Mr. Gordon in the chair.

Railways and Canals—	
Salaries..	$206,070
Contingencies..	38,000

Progress reported.

At six o'clock the House adjourned, without question being put, pursuant to rule.

Thursday, May 7, 1925

The House met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No, 76 from the Senate, for the relief of Laura Grace Davis.—Mr. Jacobs.

Bill No. 77 from the Senate, for the relief of Alice Brouse.—Mr. Duff.

Bill No. 79 from the Senate, for the relief of Robert Lawrence Anderson.—Mr. Duff.

Bill No. 80 from the Senate, for the relief of Pearl Hibbard.—Mr. Stewart (Leeds).

Bill No. 81 from the Senate, for the relief of William John Taylor.—Mr. Hanna.

Bill No. 82 from the Senate, for the relief of Albert Edward Cottrell.—Sir Henry Drayton.

Bill No. 83 from the Senate, for the relief of Florence May Mott.—Mr. Clifford.

Bill No. 84 from the Senate, for the relief of Ellen Mary Harvey.—Mr. Hanna.

Bill No. 85 from the Senate, for the relief of Stella Florence Brickenden.—Mr. Euler.

Bill No. 86 from the Senate, for the relief of Frank Alexander Michel (otherwise known as Frank Alexander Mitchell).—Mr. Euler.

Bill No. 87 from the Senate, for the relief of Thelma Adeline Rose Hands.—Mr. Jacobs.

Bill No. 88 from the Senate, for the relief of Jean Veronica Margaret Wright.—Mr. Garland (Carleton).

Bill No. 89 from the Senate, for the relief of Ruth Darcy Blinn McCrimmon.—Mr. Shaw.

Bill No. 90 from the Senate, for the relief of Thomas George McElligott.—Mr. Hocken.

Bill No. 91 from the Senate, for the relief of Alvin Wesley Richards.—Mr. Stewart (Leeds).

Bill No. 92 from the Senate, for the relief of Cecil Tanner.—Mr. Rankin.

Bill No. 93 from the Senate, for the relief of Ruth Ellen McGowan.—Mr. Shaw.

Bill No. 94 from the Senate, for the relief of Edith Kearsley Smith.—Mr. Boys.

Bill No. 95 from the Senate, for the relief of James Raymond Armstrong.—Mr. Garland (Carleton).

Bill No. 96 from the Senate, for the relief of Josephine Royant.—Mr. Sheard.

Bill No. 97 from the Senate, for the relief of Gertrude Margaret Burkart.—Mr. Ryckman.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

QUEBEC HARBOUR COMMISSION—LAWYERS

Mr. POULIOT:

What were the names of the lawyers of the Quebec Harbour Commission, from 1902 to 1912?

Hon. Mr. CARDIN:

1902—Mr. J. A. Lane.
1903—Mr. J. A. Lane.
1904—Mr. J. A. Lane.
1905—Mr. J. A. Lane.
1906—Mr. J. A. Lane.
1906—Mr. C. E. Dorion.
1907—Mr. C. E. Dorion.
1908—Mr. C. E. Dorion.
1909—Mr. C. E. Dorion.
1910—Hon. L. E. Taschereau and Mr. J. A. Lane (special case).
1911—Mr. C. E. Dorion, until May 15, 1911, when appointed judge of the Superior Court.
1911—From May 15, Messrs. Taschereau, Roy, Cannon, Parent and Fitzpatrick.

1912—Messrs. Taschereau, Roy, Cannon, Parent and Fitzpatrick, until April 29, 1912, when Mr. A. C. Dobell was appointed.

1912—Messrs. I. N. Belleau and Hon. E. J. Flynn acted on special cases in 1912.

CANADIAN NATIONAL RAILWAYS—ST. MALO WORKSHOPS

Mr. POULIOT:

1. What is the name of the person or persons who sold to the government the land on which are located the workshops of the Canadian National Railways, at St. Malo, and what was the sale price?
2. What is (a) the amount and (b) the value of the machinery transferred from the workshops of the Canadian National Railways, at Rivière du Loup, to those of St. Malo?
3. What is the number of employees of the Canadian National Railways who were transferred from Rivière du Loup to St. Malo?
4. Was this transfer optional?

Hon. Mr. GRAHAM:

1.

L'Association des Terrains sans Bruit		$172,761 47
Wilfrid Emonds		1,000 00
Mrs. D. P. Bigaouette		1,000 00
Mrs. C. Langlois		1,000 00
Mrs. M. L. Montmigny		1,000 00
Joseph Bigaouette		1,000 00
L'Companie des Carriers des Beauport	$9,983 90	
Costs for above	434 19	
		10,418 09
		$188,179 56

2. (a) 22 machine tools; 3 sets blacksmiths' outfits. (b) $36,705.

3. Ninety-three.

4. Yes.

ORTHOPAEDIC BUILDINGS AND EQUIPMENT

Mr. BLACK (Halifax):

1. How much have the government Orthopaedic buildings, grounds and equipment, cost to date?
2. How many limbs have been constructed for each amputation case before the patient was able to wear one?
3. How many limbs have been discarded by the soldier amputation cases?
4. How many soldiers who had amputations, are not able to wear the limbs provided?
5. Why is it that civilians can be fitted at Camp Hill, and does the government receive the money paid by said civilians?
6. (a) Is the stock of supplies at Camp Hill checked up at any time, and (b) does the official in charge sell and give supplies to civilians?
7. Could not Canadian makers do the work to greater advantage?
8. Why were Canadian makers not allowed to do this work in the first place?

[Mr. Cardin.]

Hon. Mr. BELAND:

1.

(a) The factory occupies part of the buildings at the Christie Street hospital, Toronto; Unit depots are housed in the most suitable accommodation available for that purpose in departmental centres or hospitals: available statistics do not distinguish between the cost of the buildings as a whole and the parts set aside for the use of orthopaedic and surgical appliances division.

(b) The cost of all materials, labour and overhead charges entering into the manufacture of appliances has been absorbed into the cost of each appliance, concerning which detailed statistics will be found in the sessional papers mentioned in the answer to Question 8.

2. None.

3. The department is not aware that any limbs have been discarded.

4. None: an artificial appliance is never issued to a patient unless it is certified by medical opinion—specialist orthopaedic consultants—that he will be able to wear and make use of it.

5. The department does not deal with individuals other than war disabled ex-service men, but, appliances are supplied in certain cases at the request of other departments of the government and of Provincial Workmen's Compensation Boards, as authorized by order in council P.C. 2311 of the 25th September, 1920. (Published in Sessional Paper No. 14, 1920, page 157).

6.

(a) Yes. (b) No.

7. No.

8. The circumstances which influenced policy in undertaking the manufacture of orthopaedic and opthalmic appliances, and the subsequent developments, are set forth in detail in the annual reports of the department:

Sessional Paper No. 14. 1920, page 26
Sessional Paper No. 14. 1921, page 47
Sessional Paper No. 14a. 1922, page 37
Sessional Paper No. 18. 1923, page 63
Sessional Paper No. 18. 1924, page 27
Sessional Paper No. 18. 1925, page 18

CANADIAN GOVERNMENT MERCHANT MARINE

Mr. ARTHURS:

1. Have any ships formerly belonging to the Canadian Government Merchant Marine been sold?
2. If so, what amount was chargeable against each vessel on books of Canadian Government Merchant Marine: (a) cost; (b) permanent changes or betterments; (c) interest and depreciation; (d) all other charges?
3. What price was received for each vessel sold and who was purchaser?

4. Was the amount chargeable to Canadian Government Merchant Marine reduced by all items in question (2)?

5. If not, why?

Hon. Mr. GRAHAM:

1. Yes.

2. (a) Thomas J. Drummond, $550,339.13; J. A. McKee, $521,514.11; Sheba, $151,099.90; Canadian Miner, $583,467.40; Canadian Sealer, $583,362.66; Canadian Settler, $985,273.34; Canadian Logger, $704,120.54.

(b) None.

(c)

	Interest	Depreciation
Thomas J. Drummond	$ 83,342 31	$ 52,297 25
J. A. McKee	78,977 24	49,558 08
Sheba	31,192 81	19,898 93
Canadian Miner	117,270 42	77,627 07
Canadian Sealer	116,781 12	77,435 29
Canadian Settler	173,064 70	104,680 24
Canadian Logger	85,911 49	63,136 69

(d) No other charges.

3. Thomas J. Drummond, N. M. Paterson & Co., Fort William, Ont., $110,000; J. A. McKee, N. M. Paterson & Co., Fort William, Ont., $110,000; Sheba, Manor Line, London, £17,000; Canadian Miner, W. Hansen, Bergen, £20,000; Canadian Sealer, W. Hansen, Bergen, £20,000; Canadian Logger, Sir Thos. Wilson, Belfast, Ireland, $100,000; Canadian Settler, Capt. Peter Graham, New Glasgow, N.S., $140,000.

The purchaser finding it impossible to meet his payments on the Canadian Settler, the Canadian Government Merchant Marine has re-possessed the steamer.

4. Balance of charges, including interest and depreciation, were cancelled.

5. Answered by No. 4.

CUSTOMS TARIFF—COMBING WOOL ETC.

Mr. MAYBEE:

1. Does item 555 of the customs tariff provide for a duty upon combing wool of two cents per pound, British preference, and three cents per pound under the general tariff?

2. Does item 556 of the customs tariff provide for duty on worsted tops of 10 per cent British preference and 15 per cent under the general tariff?

3. Is the government enforcing the collection of duty on these two items, as provided for by law?

4. Has the government received any complaints that the said duty is not being collected on these two items, 555 and 556, of the customs tariff?

5. Were the said items (555 and 556) included in the customs tariff to encourage the establishment of the manufacture of wool tops in Canada?

6. Since the inclusion of the said items in the customs tariff, has a factory to manufacture wool tops been established in Canada?

7. Was such a factory established in Trenton, Ontario, and is the government aware that over 15,000 Canadian citizens have invested in such a factory?

8. Is the government aware that failure to enforce the collection of the aforementioned duties has resulted in serious loss to the aforementioned factory?

Hon. Mr. COPP:

1. Yes, upon wools of the following description: Leicester, Cotswold, Lincolnshire, Southdown, combing wools, or wools known as lustre wools and other like combing wools, such as are grown in Canada.

2. Yes, when such tops are made from Leicester, Cotswold, Lincolnshire, Southdown, combing wools, or wools known as lustre wools and other like combing wools, such as are grown in Canada.

3. Duty is not collected when the importer certifies on the customs entry that the wool, or tops are such as are not provided for in tariff items 555 or 556. This has been the practice of the departments since 1897.

4. Yes, from the Dominion Combing Mills Ltd., Trenton, Ont.

5. No information.

6. Yes.

7. The government is aware that such a factory is established in Trenton, but there is no information in the records of the Department of Customs and Excise of the number of Canadian citizens who have invested in such factory.

8. Representations to that effect have been received from The Dominion Combing Mills, Limited, of Trenton.

ADJUSTMENT OF WAR ACCOUNTS

Mr. ANDERSON:

1. What amounts have been received from Great Britain on adjustment of war accounts and other indebtedness since January 1st, 1922?

2. What amount has been received each month?

Hon. Mr. GRAHAM:

1. Amount received in cash on account of principal, $69,878,006.62.

2.

April, 1922	$ 5,000,000 00
May, 1922	5,000,000 00
June, 1922	5,000,000 00
July, 1922	5,000,000 00
August, 1922	10,000,000 00
September, 1922	10,000,000 00
October, 1922	5,000,000 00
November, 1922	5,000,000 00
December, 1922	5,000,000 00
March, 1923	7,000,000 00
March, 1924	7,878,006 62

MR. ALFRED GUENET

Mr. BOURASSA:

1. Has Mr. Alfred Guenet, keeper of the Royal Engineers Camp, at Levis, asked to be retired and given in his resignation?

2. If so, what is the name of the person appointed to replace him, and what is his salary?

Hon. Mr. MACDONALD:

1. No. Alfred Guenet did not ask to be retired; but he was retired on account of advanced age (76) in order to have the benefit of the Calder Act.

2. No person has been appointed to replace him. A military foreman of works has been detailed to carry out the caretaker's duties temporarily during the summer, in addition to his foreman duties, without any additional remuneration.

INCOME TAX COLLECTIONS

Mr. SPENCER:

1. What was the total gross amount of federal income tax collected in each of the provinces of Manitoba, Saskatchewan, and Alberta, for the year ending March 31, 1925?

2. What was the cost of collecting same in each province?

3. What was the net collection made in each province?

Hon. Mr. CARDIN:

1.

Manitoba	$3,477,069 32
Saskatchewan	872,928 03
Alberta	1,163,911 16

2.

Manitoba	$ 85,346 58
Saskatchewan	143,932 68
Alberta	95,388 92

3. Answered by No. 1.

QUESTION PASSED AS ORDER FOR RETURN

CROWSNEST PASS AGREEMENT—RATES

Mr. RINFRET:

1. When were the Crowsnest pass agreement rates put back into force?

2. What articles are affected by that agreement?

3. What rates are paid on such articles under said agreement, as compared with the rates paid on the same articles in other parts of the country?

CANADA GRAIN ACT AMENDMENT

Hon. T. A. LOW (Minister of Trade and Commerce) moved that the House go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to amend and consolidate The Canada Grain Act, chapter 27 of the statutes of 1912, and amending acts, and to make further provisions in respect to the handling and marketing of grain, or incident to the buying, selling and transportation of grain; the grading and weighing of grain; the handling of grain in and out by country elevators and at country points and inspection of such elevators; the operation, management and control of terminal, public and private elevators; the storing, cleaning and binning of grain; the mixing of grain, and the disposition of screenings.

Motion agreed to.

[Mr. Bourassa.]

ALTERNATIVE VOTE

On the Orders of the Day:

Mr. W. C. GOOD (Brant): Mr. Speaker, I want to draw the attention of the Prime Minister to two statements which he made to the House on July 17 last. They will be found in Hansard of that date. Replying to a question by the hon. member for Brandon (Mr. Forke) the Prime Minister said:

Under the circumstances, the government has decided not to proceed further with the bill which is before the House at the present time, but to take it up at an early stage next session of parliament.

The bill referred to is the Alternative Vote Bill, so called. The second statement was made in answer to a question of my own regarding the same matter and reads as follows:

In reply to the first question, I may say that if we are all here when parliament re-assembles, certainly this alternative vote measure will be one of the first to be brought before the House.

Now, Mr. Speaker, it is not very early in the session—

Mr. SPEAKER: Order. Will the hon. gentleman put his question now, please?

Mr. GOOD: I am asking the Prime Minister, if and when the government proposes to re-introduce the bill which was read a first time last year?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government does intend to re-introduce the measure at an early date.

MEMBERS' STENOGRAPHERS

On the Orders of the Day:

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): Mr. Speaker, on Monday I dictated some letters and I got them only to-day. I do not wish to blame the stenographic staff, but I think there should be more stenographers so that the work may be performed expeditiously.

Mr. SPEAKER: Do I understand that the hon. gentleman is complaining about the stenographers?

Mr. POULIOT: No, Mr. Speaker; I am complaining about the delay. When we give work to a stenographer I think that work should be finished before the stenographer is ordered to take work from another member.

Mr. SPEAKER: I would remind the hon. gentleman that many years ago we had no stenographers at all to look after our correspondence. During this parliament at least fifty stenographers are available for the work. Of course, if a stenographer were assigned to

each member it would increase the sessional expenditure very much. However, it is a matter that I shall be glad to bring before the Commission of Internal Economy. I may say that this is the first complaint I have received during the session, because we have an excellent staff.

Mr. POULIOT: I do not wish to blame anyone.

Mr. MACLEAN (York): Mr. Speaker, there are two sets of stenographers: one for the Senate, who are not always busy, and one for the House of Commons, who are generally very busy. If these duplex systems were consolidated, more work could be done without any additional expense.

SOLDIER SETTLEMENT LANDS

On the Orders of the Day:

Mr. L. P. BANCROFT (Selkirk): Mr. Speaker, now that the budget debate is over, I wonder if the government is prepared to make an announcement regarding the revaluation of soldier settlement lands?

Mr. MACKENZIE KING: I am sorry the minister (Mr. Beland) is not in his seat at the moment. When he returns to the House I will bring my hon. friend's question to his attention.

CANADIAN NATIONAL RAILWAYS

DISCUSSION OF ANNUAL STATEMENT OF THE MINISTER OF RAILWAYS AND CANALS

The House in committee of Supply, Mr. Gordon in the chair.

Mr. MEIGHEN: I understood the motion which came yesterday was to be moved to-day. I presume it was a motion for the House to go into committee of Supply, because that motion could not be moved to-day.

Mr. GRAHAM: The only way we seemed to be able to get on with this debate to-day was to get into committee of Supply, in which event the Speaker would leave the chair automatically to-day. Had that procedure not been adopted we should not have been able to proceed to-day.

Civil government—railways and canals—salaries, $206,070; contingencies, $38,000.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): There are one or two other features of the minister's statement of yesterday to which I want to refer. The minister made some very favourable comments on the great success of the government in getting its new railway loans floated at a cheaper rate than those floated in 1919-20. I know the minister well enough to assert with positiveness that he was quite aware that there was not the slightest thing in what he was contending; that it was merely a question of what the value of money was in the world's markets, and that the government were no more responsible for the money rate of 1924 than they were for the price of wheat in 1924; no more responsible than they were for the cattle values of 1922. What is possible in these matters is entirely a matter of market conditions, and if the minister intended to make an argument the only way he could have set about it was to compare the rates this company was able to secure on government guarantee with rates which other governments were able to secure in other parts of the world. Into this he did not launch; consequently I have not overstepped the mark when I say that his words were merely vain. Attempts have been made frequently to make these comparisons. They are very easily made. If hon. members will look at the Hansard report of the budget debate of 1923, and especially at certain accounts of loans presented by the former Minister of Finance, the member for West York (Sir Henry Drayton), they will get all the information they desire to show that the lowest possible interest rate was secured in 1920 and 1921, and that our bonds were sold on an interest basis lower than were those of any other country at the same time.

While I am on the subject I wish to say a word on a matter very much akin to it. Repeated assertions come rather flippantly, I think, from many members of the government and from some hon. members to my left, to the effect that a very stupid and a very gross financial crime was perpetuated when, during the war, tax-free bonds were issued. It is hard for me to conceive of anything more futile or more childish than the attempts of hon. members to declare how much has been lost to Canada by the issue of these tax-free bonds. It would be just as easy to ascertain how much more rainfall we would have had in these ten years had there not been an earthquake in San Francisco. No man knows, or can know, or give an intelligent opinion, whether or not there has been a dollar lost to Canada. One would actually think that a decision to issue the bonds tax free was come to in order to see that people who had money to lend at that time would be in a comfortable position for the rest of their lives; that the treasury was not considered; that the tax-payer was not considered—only the money lender. Well, I do not think any government or any party

is so utterly idiotic as that, and I do not think any hon. member thinks it is; much less that the Minister of Finance of that time, whose record during the war will bear comparison with that of the Finance minister of any other allied country, would have been guilty of conduct so careless or precipitate. Every consideration was weighed on all sides of the argument. We were faced with this condition. The American republic was issuing tax-free bonds, and issued them throughout the war—has been issuing them right up to this day. And these people are referred to by the Minister of Railways (Mr. Graham) as the shrewdest financiers in the world. I do not think he is very far astray; there are just as good, but there are no better. They believe it pays to do that; and the ascending scale of their income tax law is even more precipitate now than ours, for they have lowered their income tax on the lower incomes while those remaining at the high figure are unchanged. I quote one sentence from the annual report of the treasurer of the United States, issued just a few months ago:

> Fully tax exempt securities outstanding in the hands of the public now amount to $13,284,000,000 and are increasing at the rate of one billion dollars a year.

This is the conduct of those men described by the minister as the shrewdest financiers in the world; but this conduct, or exactly the same conduct on our part is referred to by those super-financiers to my left and opposite me as the work of childish knaves. No; the money had to be secured; failure to secure it would have been fatal. Looking back upon the period now from the vantage ground of ten years thence, we may be honestly convinced that the money could have been secured if the bonds had not been tax free. One thing is certain: a higher price would have had to be paid. Whether that higher figure would in the long event have counterbalanced the taxes we now might collect; no man can say. But how is anyone to tell at the opening of a great war, or even a year after, or two, or three, what is to be the burden when the war is over, and what is to be the history of taxation for years thereafter? The best judgment, the judgment exercised by other nations at the same time, was exercised here, and the considerations that moved the financiers of other countries moved the Finance Minister of Canada. Certainly no one could honestly even think—no one could honestly say—that any other consideration affected him at all. Even to-day the United States of America adopt this plan of securing loans. Nobody would suggest that they could not secure them were the bonds not tax free. Certainly they could; their country is abounding with money within all its boundaries. But their judgment is that in this way they can get the loan more cheaply and in the end be in a better position than if they issued them otherwise.

Mr. CAHILL: Will my right hon. friend permit me? Is it not a fact that all the states and municipalities have the right to issue tax-free bonds, and that the national treasury, therefore, could not very well compete with them if they issued taxable bonds? It is just the reverse in Canada.

Mr. MEIGHEN: It is just the reverse. We have to compete against them just as well as the United States federal government, and always had to. Certainly they have the right to do it, but does the hon. member think they would continue to have such right if it was not considered good business?

Mr. CAHILL: Would it not seem impossible for the federal government to compete in the bond market selling bonds against the states and municipalities, which have the right to issue tax-free bonds?

Mr. MEIGHEN: Certainly we are competing with them, and with England too.

Mr. CAHILL: Not in domestic loans.

Mr. MEIGHEN: Of course we are. The rate of money here is influenced by their rate and by their conditions all the time, but it was much closer, far more delicate at that time than it is to-day.

Mr. SPENCER: Is it not a fact that the last loan was liable to taxation and that it was over-subscribed?

Mr. MEIGHEN: Certainly; the money rate had reduced. The last loan was at least subscribed to the full. The last loan issued by the late government was liable to taxation. We felt that conditions had passed when it was necessary to issue a tax-free loan, but we could have got a better price for that loan if we had made it not liable to taxation. But against the difference we would have gained, we would have had to set off what would have been lost in taxes.

Mr. LEWIS: The right hon. gentleman refers to the United States. Did we start the tax-free loans first?

Mr. MEIGHEN: Oh, certainly not. I do not know when they started; I do not know there ever was a time when the United States did not follow the practice of issuing tax-free loans. There may have been.

Those are the circumstances to which I wished to refer, and I have taken the liberty of doing so notwithstanding the fact that it is aside from the main current of the minister's statement.

The Minister of Railways then went into the question of the condition of the system and the results of last year, and expressed the view that the result was wholly satisfactory, and indeed phenomenally so under all the circumstances. Well, the qualifying phrase is, of course, a very useful one—a very sweeping one. I wish I could take as much sunlight from the report as can the Minister of Railways—earnestly I wish I could. I think I would have everything to gain if the result were as good as the Minister of Railways depicts it. I believe he is influenced by the best of motives in so presenting it; but I cannot see, that we can look forward to the future with quite the optimism that the Minister of Railways expresses.

He says that we lost in business some $17,000,000, and that this was atoned for to the extent of some $14,000,000 by economies in operation. I do not hold the National Railway Board responsible in the least degree for the loss of business; that is something for which other conditions are responsible altogether. The minister attributed those conditions to the comparatively small crop in western Canada. Our crop was something below the average, it is true, but the reduction in tonnage which resulted therefrom was only 2,300,000 tons, while total reduction in all tonnage on both systems in Canada was between 9,000,000 and 10,000,000 tons, if not over 10,000,000 tons—it was 8,800,000 I think at the end of October. Now why the difference? Is it due to the relatively small crop in western Canada? We had a large crop in eastern Canada, the largest in our history, and while the western crop was somewhat below the average, the farmer obtained more for it for the purpose of his purchases than he had ever obtained since the days of the war. He was in a better position to buy in so far as crop returns were concerned. Why is it that the other tonnage fell off from three to four times as much as the grain crop? It certainly is not due to the National Railway Board, but I fancy if the minister in the quiet of his closet would ask Sir Henry Thornton why it was, he would find Sir Henry Thornton's explanation pretty much the same as mine; and if he would ask Sir Henry Thornton what the cure should be, I think he would get a remedy not very radically different from my own. The other business of Canada was depleted in masses, and it was depleted from the year 1923 when we undoubtedly had no boom. It was not like 1923 in the United States when they reached the Mount Everest, when they had a tidal wave of prosperity from which you would naturally expect some recession in the following year. No, we were in a period of comparative langour in 1923. But in 1924 we had iron tonnages drop off 57 per cent, and other tonnages drop off in lesser percentages; but down and down they went until the National railways lost some $17,000,000, and the employees of the National railways had to pay the bill. Those employees were out of work, thousands of them as compared with the year before. In that year $7,690,000 less went into their pockets because they were walking the streets. So we cannot take very great comfort from the fact that millions were "saved" out of the pockets of the workmen. And even this kind of "saving" atoned only in part, for the loss in tonnage of $17,000,000.

What, though, is the final result? We are $3,186,000 worse off on operation than the year before. The year before was better than the previous year. That was the first year of the new board; but the improvement was by no means as great as it was the previous year over 1921, and still further was it from being as great as the $20,000,000 improvement of 1921 over 1920. The rate of improvement got less and less until the end of 1923, and then ceased altogether, and now we are, in operation alone, $3,186,000 worse off and in fixed charges some $4,400,000 more. So, for 1924 we are behind 1923 a total sum of $7,619,820.

Where are we going to be this year? The year 1924 saw an addition to the capital debt, according to the minister's own figures—and the minister was very, very delicate in his touch on this subject—of $118,000,000; according to the reports of the company it is somewhat more, but not very substantially more. That $118,000,000, even if it is right, will take $5,000,000 more to pay the interest on it. So next year there must be an improvement in operation of $7,600,000 odd, plus $5,000,000 odd. All that has to be overtaken before we have a chance to move one single inch, one single dollar, towards the balancing of our railway budget. Is it likely to occur? If the process of reckless expenditure of last year goes on this year, it will not.

The serious feature of our whole National railway position is this: It is the continued multiplication of the capital charges of the road. The government of Canada under the statute is responsible for new capital charges.

If, as is stated, and very responsibly stated —the minister will correct me if it is a rumour which is false—great new investments are being made in Montreal for some proposed terminals, or other purposes, investments running into hundreds—yes into millions—

Mr. GRAHAM: Not at all.

Mr. MEIGHEN: Well into hundreds of thousands. If this is true and on the top of these other expenditures, all in a mad race for a limited traffic, then we are not on the road that leads to solvency of this National system. Think of $327,000,000 being added to the debt of that system in three years and three months. I know the debt was added to, and rapidly added to, up to the end of 1921; but we had to restore a dilapidated system; we had to restore one semi-dilapidated; and we had to restore one wholly dilapidated—8,000-odd of freight cars alone had to be built for the Grand Trunk and for the Canadian Northern railways; and we had to put the thousands of miles of road into good working shape. But even then the rate of increase would scarcely equal the rate now after all this upbuilding has been done. In 1922, the last year of Mr. Hanna's board, this expenditure ceased, and only $59,000,000 was added to the capital charges that year. But, with the new board coming in control, $116,000,000 went on the first year, $118,000,000 the year following, and $18,000,000 in the first three months of this year. And where is it going to end? According to the reports of the company the total is $312,000,000; according to the total which I have given the figure should be $327,000,000. There is $14,000,000-odd unaccounted for, and I should like very much to have an explanation of where that fourteen millions comes in. However, assuming that the minister's figures are correct and the report of the company is wrong, even then the rate of increase is appalling, and it must be checked or we cannot see an exit at all. And it must be remembered that this pace has been set in the face of a continually contracting business; been set in the face of a contracting business to such a degree that $17,000,000 is swept off the receipts in one year alone; and it is set in the face of the most obvious fact—that you cannot multiply by advertising, by publicity, by radio and all those features, you cannot multiply, you cannot add a tithe to the business of the country. All you can do is take it from another system; and we have had capital investments in large sums for no other purpose than to help get a larger share from the one system to the other. Is that good business for Canada? Every hon. member knows to-day—at least every hon. member who is prepared to admit, and I think we all are, that the soundness of the Canadian Pacific Railway is vital to the soundness of Canadian finance in general —that we would only be cutting our own throats if we were to impair the essential financial validity of that system. Now, assuming that— we do not need to go any further; and nobody wants to be generous to them, they have done pretty well and we are looking after ourselves not them—assuming that, surely it is not policy to throw the money of this country in millions in a mad race not to get more business into Canada but to get into one system a share of business from the other; the people of Canada to pay for it all.

Mr. GRAHAM: Let me ask my right hon. friend a question. If he had been entrusted with the management of the Canadian National Railways by the people of Canada, would he sit still while another company was endeavouring to get traffic from his line, and not try to hold his own?

Mr. MEIGHEN: I will tell you what I would not do. I certainly would not sit still and have the traffic go; but I would not set the pace by radio installations, and the like of that, which the other company would have to follow.

Mr. GRAHAM: I do not want to interrupt my right hon. friend; I intended to deal with this yesterday. One company uses full page advertisements in the newspapers which runs into money faster than the radio, and it is a question of which is the better policy.

Mr. MEIGHEN: I do not know which company uses full page advertisements.

Mr. GRAHAM: I do.

Mr. MEIGHEN: I know that our company spends a million-odd in advertising as well as the money I have mentioned on radio installations; and while I do not say that the other company is faultless, I do say we have got to find some way of preventing these two roads from competing at the expense of our pockets.

Mr. KENNEDY (Edmonton): In view of the fact that the cost in connection with both roads comes out of the people of Canada is it not essential that we should have as full information about the financing of the Canadian Pacific as we have of the Canadian National?

Mr. MEIGHEN: Oh yes, I think it is; I think we have a perfect right to know,

because the necessities of the company determine the level at which rates must be set. You can go down just so far but you cannot go farther without interfering with the essential soundness of the enterprise, and you do not know what is essential unless you know the condition of its finances.

Now, it has been stated that from these railways we have the best service in the world. I think we have. I think the minister is wholly right when he says that the trouble is our service is too good. Our service to-day is beyond the competence of the people of this country. We to-day are travelling de luxe over this Dominion. I suppose this is one of the glorious fruits of "competition." As a matter of fact it is nothing but a slow process of financial suicide on our part. We are paying for all this, and necessarily so. But there must be some way found by which it shall be made to cease, and we are not going to find it by the path pursued in the last two years, the path of heaping upon our own heads a capitalization beyond our competence to sustain.

Now, the minister says also that we should be very grateful, because while there have been bankruptcies of railroad systems in other countries, including the United States, there have been none here. Well, I do not know that we could take very much satisfaction out of that; I do not think the remark is very appropriate. If the Dominion itself did not stand right under more than half the railway mileage of this country why, of course, there would be bankruptcy. But the fact of the matter is that in the United States of America, while it is true their rates are higher than ours—we do enjoy in my judgment the lowest rates in the world,—in the United States of America, while there have been isolated cases of failure in their two or three hundred systems, the fact of the matter is that on the Wall street market the securities of the American railways have been in an almost continual ascent during the year 1924. Those roads and the traffic conditions of that country have been such that the public has confidence in their being paying ventures. The index that I have just referred to shows that the people of the United States feel that trade conditions generally, upon which traffic conditions ultimately rest, are on a sound basis in that country, a basis that justifies the continuous rise on the part of railroad securities.

What I would suggest to the government is this: Take the action which should have been taken many months ago. Stop these continual capital additions to the cost of the national system. We are now up, exclusive of the Transcontinental and the Intercolonial, to a billion and a half. With those added, and with interest, we are in the two billion class. That is about what we have invested in our system. If we add interest on what we have put into the Transcontinental railway and the Quebec bridge we are away beyond the two billion class. The investment in railroads in Canada is colossal. It is one of the causes of the difficulties which surround us now; and we certainly should not through these years, even for purposes of service and competition, have permitted any directorate to run into the tremendous figures which this directorate has run into in the last two years and a quarter.

On this question of amalgamation I make no comments on the hon. minister's remarks. Certainly this country does not like monopoly, and if there is any way of avoiding it let us avoid it. But we are getting nearer monopoly every year that we permit to continue this process, which has been going on for twenty-seven months and has resulted in the position we find ourselves in now.

Mr. ROBERT FORKE (Brandon): I am sure we all listened with a great deal of pleasure yesterday afternoon while the Minister of Railways (Mr. Graham) made his statement to the House. It was illuminating, and he made his statement in such a way that it was interesting, easily listened to, and easily understood. I desire to express my appreciation of a debate with a little touch of humour in it now and then. It makes things go on a little more pleasantly. I think perhaps the Minister of Railways (Mr. Graham) and the right hon. leader of the opposition (Mr. Meighen) make rather a happy combination, because—taking their speeches in conjunction with each other—if the one is a little too optimistic, the other comes along and brings things down to their proper level.

4 p.m.

In commenting this afternoon, the right hon. leader of the opposition (Mr. Meighen) spoke about the tax-free bonds, and said that it was all right to issue those bonds free of income tax. I know a great deal can be said in excuse of what was being done at that time. These bonds were bought by all classes of the people, though no doubt the great bulk of them were bought up by wealthy people and wealthy corporations. A great many small investors bought bonds at the time they were issued, but the trend of these securities as to ownership affords a pretty accurate gauge of how the common people have been prospering

during the last year or two. Why is it that the bonds have now filtered away from the small investors into the hands of the large investing public? I could tell hon. members about people who bought bonds years ago and who have none now. I am simply making the statement; the House can judge of the truth of it. I think I am perfectly correct in saying that the majority of the tax-free victory bonds are not in the hands of the working people of this country to-day. However, that is past and gone, and there is no use wasting time over the matter.

The railway situation in Canada no doubt is a very serious one, we all realize that fact. But I hope it is not without some ray of brightness, and that in the future it is not going to be altogether hopeless. I have no fault to find with the arguments which have been advanced by the right hon. leader of the opposition. I think it is just as well that hon. members should know all the circumstances and look at the situation from the worst possible side that we can see. I have no doubt that the statement my right hon. friend made, that we are over $7,000,000 worse off this year than last year in the way of profits in the operation of the Canadian National Railways is correct. In regard to the traffic and the loss of business on these railways, there are several different ways of looking at it. I know the right hon. leader of the opposition immediately went along the old track when he began to tell us why the railways were losing business. It was the old story of the closed factories, people out of employment and all that sort of thing. I think there might be another explanation upon which I may say a few words at a later date.

In regard to the management of the Canadian National Railways, I think the people of Canada to-day as a whole, are pretty well satisfied with the management of Sir Henry Thornton. But there are perhaps other factors in which possibly some improvement could be made. I often wonder that we hear so little in this House about the board of management which is supposed to advise Sir Henry Thornton. I do not know exactly what their duties are. I suppose their duties are to act in an advisory capacity. While Sir Henry Thornton may be a great authority in the physical handling of railways, I do not know whether he is a financial wizard or not, or whether he is capable of handling the finances of the railway just in the best possible way. How is he advised? How is he guided in financing the railways? Is the board of management composed of men who are able to give excellent financial advice? I do not know. I am not in a position to go into a criticism of the financial management of the Canadian National Railways; but I apprehend, Mr. Speaker, that perhaps something could be done along that line. I desire to say in passing, that I am not acquainted with the personnel of the board of management. Hon. Edward Brown, of Winnipeg, I imagine, would be a good man in financial matters.

I understand the government is responsible for the capital expenditures on the Canadian National Railways in the final analysis. While we admit and believe that the only possible solution of the problem at the present time is to allow the freest opportunity to the president and the board to conduct the business of the railway, yet, when large capital expenditures are being made, I believe the government is held responsible. I am not just exactly in a position to criticize with any degree of accuracy what is being done in this way, but I agree with the right hon. leader of the opposition that this is not a time to make extensive capital investments unless they are absolutely needed for the successful management and equipment of the railway as a going concern; and I believe that the utmost economy should be practised along that line during a time when we are having such difficulties and such deficits as are occurring in the operation of the railway.

In reference to the Canadian Pacific Railway, I agree with all the hon. members who say that the prosperity of the Canadian Pacific is almost as important to this country as the prosperity of the Canadian National, and we are interested in both. The only trouble is that we have to pay the deficits of the Canadian National Railway, and consequently it comes a little closer home to us than the other railway, which is able to pay its way in the meantime. At the same time it would be a calamity to this country if anything were to happen to the financial standing of the Canadian Pacific Railway; and when we work and speak in the interests of the Canadian National it is not with any degree of hostility to the Canadian Pacific.

In reference to the services that are being rendered, I do not know if there is so very much to be said. They are important in some respects of course, but I do not know that there is very much difference between the first-class car on the railway to-day and a first-class car which has been used in the last twenty years. I think we have a more expensive style of travelling, where the greatest

improvements and great embellishments have been given to modern railway travelling. I know that the trains run on time very much better than they used to. They travel faster, and that costs more money and may have something to do with the increased expenditure. Speaking of the services, I would like to take some members back thirty or forty years—and that is a good long time in the history of the country—and speak for a minute about the service we used to get from the Canadian Pacific Railway in those years. I can remember that when I came to Canada as a young man and first came in touch with some of the Canadian Pacific Railway officials I concluded that the aristocracy of Canada was to be found among the servants in the employ of that railway at that time. This is long ago, and whatever I say can be in no way a reflection on any of the men who occupied positions with the railways at that time. But I remember the time when the ordinary man would approach a railway ticket office with misgivings; he would ask a question and wait a considerable time before the gentleman in charge found it convenient to look up. And when he did look up and the question was asked again he would turn over a number of leaves and after a while vouchsafe a curt answer. If you persevered long enough you might get what information you were after. I do not think I am exaggerating. But what is the case to-day with the Canadian Pacific and the Canadian National Railways? You get the very best attention, the most courteous treatment, and accurate advice, and no one can complain in any degree of the services rendered by the officers of either company. I do not know what has brought about the change but there is no doubt that a remarkable change has taken place in the services rendered by both companies to-day in comparison with the state of affairs that existed in the early years of our history.

As regards advertising, there is a good deal in what the leader of the opposition (Mr. Meighen) has said; you cannot increase the railway traffic of a country by means of advertisements. But what the Minister of Railways (Mr. Graham) said was also true, that one railway could not afford to have the other draw away its business. Now this is one of those cases where a little real co-operation might prevent a good deal of unnecessary expenditure and eliminate the present duplication of services; there should be no working at cross-purposes nor unnecessary competition between these two great railway systems. Within recent days the word "co-operation" has been used a good deal; co-operation is coming to be more desirable than competition to a very large extent in conducting the business of the country. Personally, I believe that something must be done to get rid of competition between these railways; there must be more co-operation in the interests not only of the people at large but, as well, of the railway companies themselves.

The question of amalgamating the two railway systems was discussed a few days ago, and after considerable thought I am inclined to the opinion that it would not be a very good idea. It may be possible at some time in the future; it may become a necessity some day. But when I look at the matter coolly and calmly it seems to me that it would not be very wise to have an amalgamation of the two systems, for I do not think it would be a good idea to have either railway monopolize the business of the country. I believe I mentioned that fact while the hon. member (Mr. Euler) was speaking the other day, when I pointed out that if the Canadian Pacific Railway operated all the railways in Canada we should have that monopoly of which the minister spoke yesterday. In my opinion, if any company owned all the railways in Canada it would simply mean that the country would be in its possession. Consequently I could not for one moment think of the Canadian Pacific Railway operating all the railways of Canada. On the other hand, if all the railways were to come into the possession of the Canadian National Railway Company, and owned by the people of the country, with all the faith I have in human nature, and in the light of all the knowledge I am gaining in these days in political affairs, I could not believe that it would be possible to keep the railways free from political manipulation in some way or other. This is the situation as I see it. It is a fine idea, and it looks splendid at first sight, to have all the railways of the country owned by the Dominion and run in the interests of the people, not exactly for profit but for service, but it is Utopian, and we are not likely to see it materialized. The only thing we can do is to see to it that the two systems are run as profitably and economically as they possibly can be in order to give the best service to the people.

Mr. WOODSWORTH: Might not this argument against the amalgamation of the two roads be applied against the present system in connection with the carrying of our mails, which is practically a monopoly? Might we not as well have a dual system in the postal service?

Mr. FORKE: I think it is possible, but still I cannot admit that the two things are comparable; they are not parallel. I do not see how you can very well compare the management of the post office system with the management of the railways; the difference is so vast that the comparison could not hold at all points.

I do not wish to take up much time discussing railway matters; I am not an expert on the subject and therefore can view the situation only from the point of view of the ordinary man. I do want however to say a few words in regard to immigration; and I know that when I mention immigration I am not exactly in accord with some of those who sit in my part of the House. However, I am thoroughly convinced that we shall not have a solution of the railway problem until there are a great many more people in this country. Sir Henry Thornton may practise all the economy he likes, and he may cut down capital expenditure, and do everything he possibly can to make the system successful, but, I repeat, until we have a larger population we shall not get out of our railway trouble. The leader of the opposition implied that the difficulties in connection with the railways to-day were due to the fact that business had suffered, for the reason I suppose that the factories were not running as they ought to run. While I have nothing to say against the industrial activities of Canada, I am satisfied that so long as we maintain this attitude we shall not solve our problems. I know very well that hon. members to my right, for whom I have every respect, think when I speak in this way that I am taking a sectional point of view; they believe that being a farmer and knowing only about agriculture I am always harping on the one string of making agriculture prosperous in Canada. Let me say, however, that I believe from the bottom of my heart that there is no solution for our problems in this country which is not based on agricultural prosperity. You can build all the factories you like and make an attempt to set business going generally; but unless you secure a prosperous, industrious and numerous population living in the country, the urban industries will not prosper. So that our utmost endeavour at this time should be to find out how we can make agriculture prosperous. And that brings me back to the question of immigration. I for one am utterly opposed to indiscriminate immigration into this country of all sorts of people; it is no use bringing people who are not adaptable to the conditions here. We must see to it that we bring in people who will find some niche into which they can fit when they come here and so find a profitable method of obtaining a living. I realize that the question of immigration is a very difficult one; it is difficult to get the right sort of immigrants from the Old Country at the present time. There is not a large surplus of population in the agricultural districts in the British Isles who are looking towards Canada as a prospective place for settlement; we find that the class of people who are willing and eager to come to Canada are just that industrial class of whom we have too many at the present time. I have a good deal of sympathy with the government in its endeavours to prosecute a successful immigration policy. Perhaps I differ from some hon. members in this House on the question as to what sort of people are desirable. I have no objection to a good many of the Lithuanian people coming into Canada; and in this respect I differ somewhat from many hon. gentlemen in my corner. I have come across a goodly number of Lithuanian people who are perfectly good settlers and who make good farmers; and if they can settle out in the country, not in too large colonies, I am sure that the succeeding generation will prove good and true Canadians. But in the meantime every endeavour should be made to make agriculture prosperous, to get more people to take up agriculture, and by all means to give every encouragement to any industry that is able successfully to operate under conditions such as obtain here at the present time. I repeat, Mr. Chairman, I do hope our people have enough ability and enterprise that they are not going to lie down forever and say they cannot compete against other nations in the manufacture of the goods that we require.

In conclusion, Mr. Chairman, I am sure we all wish prosperity to our Canadian National Railways. The system is a great burden on the people at present, but the Minister of Railways (Mr. Graham) in his speech yesterday gave us some little ray of hope that in the not-too-distant future circumstances are going to be better than they have been in the past.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Chairman, after the very able and eloquent address of the Minister of Railways (Mr. Graham) and the equally eloquent addresses of the two leaders opposite (Mr. Meighen and Mr. Forke), it is hardly necessary for me to discuss in detail the general railway situation. There is, however, one phase which was only briefly touched on by the minister, and also alluded to by the leader of the opposition, and that is the increase

in the debt to the public by the National Railways during recent years.

As hon. members will recollect, in my observations on the budget I spoke as regards that increase, and at that time I made certain assertions and submitted certain figures, all of which are reproduced in the records of this House. In addition, I offered to submit to my right hon. friend who leads the opposition the statements I had so prepared. I made that offer, not with any idea of magnifying my knowledge of the subject then under discussion, nor with the object of directing attention to anything I might know of the railway situation, but simply for the purpose of enabling us, if possible, to arrive at the same conclusion and the same figures, so we could give the public the true and correct situation respecting the increase in the railway debt to the public. The right hon. leader of the opposition did not accept that offer; as a matter of fact he brought down his own figures when addressing the House on the budget. Those figures entirely disagreed with mine. At the time I asked certain questions, which my hon. friends of the Conservative party did not allow me to continue very fully, and finally my right hon. friend wound up with the admonition that I should be more careful and deliberate in my inquiry and show less determination to reinstate myself in the favour of the government. Well, Mr. Chairman, that was not my intention at all in giving those figures. My intention, I repeat, was in order to enable the public to understand just to what extent the railway debt to the public had increased during recent years. That is of the greatest importance, because that increase is reflected in the combined debt of the country, and it is impossible to arrive at the increase in the combined debt without properly arriving at what is the increase in the debt to the public on account of the National Railways.

In his speech on the budget the Prime Minister gave certain figures as regards the increase in the combined debt of the country during the last three years. He stated that that combined debt had increased to the extent of ninety-nine million dollars. His statement was correct in every respect. To some extent it was founded on the figures which I submitted previously in my address on the budget, showing what had been the increase in the railway debt to the public. Now, my right hon. friend who leads the opposition—and I am extremely sorry he is not in his seat this afternoon—while agreeing with certain conclusions which I then submitted to the House, disagreed with others I would remark that so far as he is concerned it is quite impossible for him to agree with one set of those conclusions without agreeing with the other set, because if one set was right the other was right also. However, Mr. Chairman, there are three points which I desire to take up to-day. I shall not be very long in discussing them, but I would like to be very clearly understood what these three particular points are I desire to establish. The first is this:

That the proceeds of the railway bond issues made during the fiscal years 1920, 1921 and 1922 were not all used for refunding, that the portion not so used was not all supplied out of cash from consolidated account, but that the surplus over from the bond issues less refunding from cash during this period was $50,884,485 which was not added to the combined debt of the country. In answer to this the leader of the opposition says that the proceeds of the bond issues, were used for refunding—and any part not so used was paid in cash for refunding—and hence there was no occasion to add any part of the bond issues at all to the public debt.

The second point which I desire to make is this: that during the period comprised in the fiscal years 1923, 1924 and 1925, that is to say, the three following fiscal years, the railway indebtedness to the public increased only to the extent of $102,122,196. In that respect I am not using the revised figures as submitted by the Prime Minister; I will use those later. I am using these figures for the purpose of making those I gave to the leader of the opposition in his speech on the budget agree with these I desire to give to-day. In answer to that assertion, the leader of the opposition states, that the railway indebtedness to the public from December 31, 1921, to March 31, 1925 increased to the extent of $176,796,490.

The third point I desire to make is this: that during the three fiscal years 1923, 1924 and 1925 the combined debt of the country, that is to say, the net consolidated debt plus the increase in the railway debt to the public —I am again using the figures without the revision submitted by the Prime Minister— increased to the extent of $111,473,508 and using the revised figures as submitted by the Prime Minister, during the same period the increase in the combined debt during those three years amounted to $99,000,000. In answer to this the leader of the opposition says that from December 31, 1921 to March 31, 1925, the combined debt increased $262,561,105.

Now, these are the three points that I desire to discuss this afternoon, Mr. Chairman, and these are the three conclusions I desire to arrive at, conclusions which are denied by my right hon. friend who leads the opposition.

Mr. KELLNER: You gave the increase in the combined indebtedness at $111,000,000, and the Prime Minister gave it at $99,000,000. Do you not think that discrepancy should be explained? It is too great to be merely stated. The difference in the figures should be accounted for.

Mr. MARLER: If my hon. friend will look at page 2645 of Hansard he will find that the savings over the budget estimate amounted to $11,643,000. My figure of $111,473,508 was prepared before those figures were submitted by the Prime Minister as revised. If my hon. friend who asks the question will deduct the $11,643,000 from the $111,473,508, he will arrive at the exact figure of $99,830,508.

Now, let me enter upon an explanation of the first of these points. During the three fiscal years ending on the 31st of March, 1920, 1921 and 1922, the railway debt to the public increased to the extent of $50,884,485. The railway debt to the public, and likewise the combined debt which reflects the increase of the railway debt to the public, increases not only to the extent of the guaranteed bonds which may be issued but also to the extent of the unguaranteed bonds which may be issued by the railways and emitted to the public. In other words, the obligations of the railways are our obligations, just as the guaranteed bonds and unguaranteed bonds issued are our obligations—precisely the same in every particular. The right hon. leader of the opposition apparently agreed with me in that particular; I am sorry he is not here to contradict these statements if I am wrong in any respect. But I want to clear up that point, because it is one of considerable importance. To that end I desire to place upon Hansard the opinion expressed by my right hon. friend the leader of the opposition on that particular matter, namely, that the guaranteed and unguaranteed securities of the railways are the debts of the Dominion. This is what he says—I read from page 2625 of Hansard, 1925.

> I have said that our financial affairs now run in two channels; everyone knows what I mean. We make two fronts before the world, first as Canada in its old account and secondly Canada as the National Railways. Each is our possession, the finances of each are our concern, and the debts of each are our responsibility.

Later on, page 2627, he states:

> If we want to know where we are at, we must absolutely include every commitment until the day comes, if it ever does, when we can honestly consider our investments in our railways as active assets.

Later on, page 2627.

> Our endeavour should be to ascertain how much the national railways have gone further into debt.

On the same page, in answer to a question propounded by myself asking if the unguaranteed securities formed part of the railway debt, the right hon. leader of the opposition answered:

> Yes they are to-day part of the debt of the Canadian National Railways.

And further on, page 2628, he stated:

> In taking our total debt into account we have got to take into consideration those securities that were unguaranteed I admit, so there is no actual difference between us at all.

In that respect he was referring to myself. Now, I have read these quotations in order to make it perfectly clear at the commencement of my remarks that not only the guaranteed but the unguaranteed securities must be taken into consideration each year in arriving at the increase in the railway indebtedness to the latter. And I repeat also that that increase in indebtedness is reflected by so much increase in the combined debt of the Dominion of Canada.

The right hon. leader of the opposition, in speaking on the budget, then proceeded to show how the proceeds of certain bond issues —to be exact, bond issues to the extent of $100,000,000—had been used for refunding purposes, and that there was no necessity of adding during his administration any part of the $100,000,000 in question to the combined debt of the country. Now, if hon. members will follow me, my right hon. friend dealt with the securities which had been issued—not the entire securities, but a part of them—during the years, as he stated, 1920 and 1921—As a matter of fact the securities to which he referred were issued in the fiscal years 1921 and 1922—and I am speaking now of fiscal years, not railway years. Those securities amounted to $50,000,000 issued on behalf of the Canadian Northern Railway and $50,000,000 on account of the Grand Trunk Railway, all these issues being guaranteed. The issues consisted of the following:

> 1920-21: Canadian Northern Railway, $25,000,000, 7 per cent, maturing 1940.
>
> Grand Trunk Railway, $25,000,000, 7 per cent, maturing 1940.
>
> 1921-22: Canadian Northern Railway, 6½ per cent, maturing 1946.
>
> Grand Trunk Railway, 6½ per cent, maturing 1946.

The leader of the opposition spoke of these sets of bond issues amounting to $100,000,000

and proceeded to show how that amount had been used for refunding purposes. He gave the amounts refunded as follows:

Grand Trunk

Year	Rate	Term	Due date	Amount
1920.	5½	5-year notes	July 1, 1920	$12,166,666
1921.	6	3-year notes	January 14, 1921	4,866,666
	6	3-year notes	October 1, 1921	14,600,000
Equipment bonds..				719,780

Total redemption on account of Grand Trunk $32,353,112

Then he proceeded to state that the 7 per cent loan of the Canadian Northern had been all used for refunding; that is the case. That loan was as a matter of fact used specifically to repay the following:

Canadian Northern

Three year 5 per cent guaranteed notes, £3,650,000, or $12,934,487.

Ten year 5 per cent Duluth, Rainy Lake and Winnipeg Railway bonds, $2,000,000.

Canadian Bank of Commerce, $9,132,272.

Repayment under War Measures Act, $1,466,044.

Total repayments out of proceeds of 7 per cent 1940 Canadian Northern Loan, $25,532,803.

Then my right hon. friend went on to explain what happened to the next loan, the Canadian Northern $25,000,000, 6½ per cent loan maturing in 1946, and he stated, referring to the railway report of that time, that it was all used for refunding purposes, and he took credit for that $25,000,000 in refunding. Then he went on to state in the same paragraph of his speech:

There were also retired during the year $2,000,000—5 per cent Duluth and Rainy Lake Bonds and £3,650,000 3 year 5 per cent ($18,000,000) Canadian Northern Railway 5 per cent guaranteed notes.

If hon. gentlemen will add those figures they will find they total $102,353,113. In addition to that, the leader of the opposition stated that certain bonds of the Grand Trunk Pacific were paid off, being the five per cent sterling notes of $9,720,000, giving us a final figure of $112,073,113.

Now these refundings require to be analysed. The Grand Trunk refundings, as given by my right hon. friend, amounting to $32,353,112, were refunded in name as so stated, but the amount of cash used for refunding these issues was not $32,000,000 odd, but $28,954,008.

As regards the Canadian Northern seven per cent 1940 loan, I have no comment to offer. That was used for refunding.

As regards the $25,000,000 Canadian Northern loan of 6½ per cent, very little was used for refunding. It was paid on account of advances made during the months of April, May and June, 1921, by the Finance department—being fiscal year 1922. The bond issue was made in July, 1921, and those advances which had been, so to speak—and I use this term for the sake of clarity—temporarily advanced, were simply paid back into the account. There was very little refunding in the $25,000,000 issue for which my right hon. friend takes credit.

Mr. GRAHAM: Just a banking transaction.

Mr. MARLER: For all practical purposes, a banking transaction, nothing more or less. Further than that, my right hon. friend takes credit for the £3,650,000 ($18,000,000) five per cent guaranteed notes and the $2,000,000 Duluth and Rainy River. Now these were repaid out of the previous loan; that is to say, the loan of 1921, not of 1922, and should be deducted.

As a final analysis in so far as the specific securities are concerned, and I emphasize the word "specific" in this instance in order not to mislead any hon. gentlemen in this House, the specific securities referred to in these refunding operations amounted to, not $112,073,113, but to $64,220,114; in other words, of the $112,073,113 specific securities which the right hon. leader of the opposition stated had been refunded, only some $64,000,000 odd were refunded.

But there were other securities refunded; there is no question whatsoever about that, securities which the leader of the opposition did not take into account in refunding operations, securities which apparently he had not considered at the time. I say there were such other refundings and I will give them to the House in a moment. The point I set out to make was this, that the increase in the railway indebtedness to the public during the three years in question amounted to $50,884,485. I want to take that year by year in order to show how I arrive at those figures. I will give my authorities, I will give what refundings have taken place, and I will balance out the figure in each year so there can be no question as to what happened. This is what really happened during the three years in question. There was, I repeat, an increase in the railway indebtedness to the public of nearly $51,000,000. That increase took place as follows, in the following years:

In the year 1920 there was a net addition to the railway debt to the public of..	$18,885,763
In the year 1921 there was a net addition to the railway debt to the public of..	20,617,375
In the year 1922 there was a net addition to the railway debt to the public of..	11,381,347
	$50,884,485

Mr. GRAHAM: That only includes the increase in the debt to the public in those

years? It does not include at all the money advanced by the government on loan to the railways?

Mr. MARLER: It is the increase in the debt to the public only. It has nothing to do with the increase in the consolidated debt so far as the railways are concerned. Now how do I arrive at each of these separate figures in each of these years? It is important to get this idea firmly fixed in one's mind before proceeding. This is how the increase is arrived at. In the first place, there must be determined what bonds were issued in the particular fiscal year in question. The second thing to be determined is what was done with the proceeds of those bonds, so that it can be determined what amount out of the proceeds of those bonds was used for refunding purposes. The third thing to be determined is what was done with the cash advanced from consolidated account to the railways in each year, in order also in this case to determine what amount out of such cash was used for refunding purposes. Now if you take the bonds less the refunding from bonds, less the refunding from cash, you will arrive at the net increase in the railway debt to the public in each of the years in question.

Now I will give figures as regards one of the years. I do not want to weary the House by giving all these figures, but I intend to give the figures for one year only, 1920, in order to show exactly how the other figures are arrived at, and if I may have the permission of the House I will place on Hansard schedules showing exactly how the figures for the other years are arrived at also.

Take the year 1920. The first question to ask is, what bonds were issued? Bonds were issued in that year to the amount of $42,109,026. What happened to the money derived from those bonds? It was used as follows:

Construction and betterments, capital, outstanding liabilities and supplies to the amount of..	$ 9,483,454
Refunding to the amount of..	17,109,026
Discount to the amount of..	516,546
Equipment from bond proceeds..	15,000,000
	$42,109,026

Now what cash was advanced from consolidated account during that year? There was advanced to the railways in cash that year, $55,264,144. What was this cash used for:

Operating deficits and interest due the public	$23,360,893
Construction, betterments, capital, outstanding liabilities and supplies..	25,789,014
Refunding..	6,114,237
	$55,264,144

Now we have to bring these two facts together, as I have stated. There were loans issued to the amount, as follows:

Guaranteed loans..	$17,109,026
Non-guaranteed loans..	25,000,000
Total amount of loans issued..	$42,109,026
Less proceeds of these issues used for refunding..	17,109,026
Balance..	$25,000,000

That left a net addition to the railway debt to the public by way of borrowing of $25,000,000, but there was paid against that net addition out of the consolidated fund for refunding $6,114,237, making a net addition to the railway debt to the public of that year, 1920, of the figures which I have just given $18,885,763.

Mr. KENNEDY (Edmonton): That refers to the fiscal year?

Mr. MARLER: That refers to the fiscal year.

Now, there is one other question which hon. members will ask which should be answered in this connection: What were the specific refundings made? Am I guessing at the refundings or simply taking them in general terms? Has an examination been made to know exactly what was refunded? I say definitely that I will now state—I am still on the year 1920—how the $6,114,237 was used in specific refundings from cash and how the $17,109,026 refunding from proceeds of bonds was used, and these are the particulars:

Refunded from cash

Canadian Northern Railway—	
Loan from the Bank of Commerce, obtained in 1914..	$1,250,000
Miscellaneous London loans..	104,504
Equipment trust notes redeemed..	4,705,000
Sinking fund..	54,733
Total from cash	$6,114,237

From Loans

Canadian Northern—	
Loans from the Bank of Commerce..	$12,000,000
Loans from London bankers (£1,049,800)	5,109,027
Total from loans..	$17,109,027
Total refunding under all heads..	$23,223,264

Now I am not giving hon. members all the figures which I have, they are extremely unpalatable and extremely hard to follow, but simply enough to show that $18,885,763 was added that year to the railway indebtedness to the public. I add it was not added to the combined debt. The same procedure has been used and the same figures have been brought together in each of the succeeding years 1921 and 1922 showing, I repeat, a total of $50,884,485 which was added to the railway

debt of the public and that increase was not added to the combined debt of the Dominion. That is the point I desire to make, Mr. Chairman, and with your permission, instead of reading all these somewhat complicated schedules to the House I will put them on Hansard so that hon. members can follow them themselves.

The schedules (see pages 2947-52) are therefore submitted marked as follows:

Railway 1. Showing bonds issued during each of the fiscal years 1920, 1921, 1922, 1923, 1924, 1925.

Railway 2. Showing disposition of cash and loans issued by or on behalf of Railways.

Railway 3. Showing addition to Railway debt to public caused by borrowing less refundings.

Railway C. Showing identical issues redeemed.

Railway 4. Showing new money issues placed in Railways since 31 March, 1919 less refundings.

Note.—These figures were prepared before the revised figures for fiscal year 1925 submitted by the Prime Minister.

Mr. KENNEDY (Edmonton): Does the hon. gentleman mean that this was additional railway debt but not shown as a debt of the country?

Mr. MARLER: No, that is additional to the railway debt to the public taking into consideration all guaranteed and not guaranteed securities. The claim made by the leader of the opposition was this: That refunding had taken place for the issues which had been put out. My claim was that the proceeds of those issues had not been all used for refunding, and that the part not used for refunding not paid out of the consolidated fund in cash had to be added to the combined debt of the country in exactly the same way as the Prime Minister in his address added all the guaranteed and unguaranteed securities, less the refunding from proceeds of bonds and less the refunding in cash.

Now, the next point I desire to make is this: I stated that during the fiscal years 1923, 1924 and 1925 the present government had increased the railway indebtedness to the public to the extent of $102,122,196. These are the old figures, without taking into consideration the revised figures given by the Prime Minister in his speech on the budget. Those were the figures used by the Prime Minister, less the revised figures which he subsequently obtained. The leader of the opposition states that those figures are not correct. That the debt to the public in so far as the railways are concerned increased not $102,000,000 and some odd thousand dollars but $176.796,490. How does he arrive at that? He takes the debt to the public of the Canadian Northern Railway on 31st December, 1921, the debt to the public of the Grand Trunk Pacific on the same day, and the debt of the Grand Trunk to the public on the same day. He adds these three together and deducts them from the debt to the public of the Canadian National Railways on 31st December, 1924, plus $18,000,000 subsequently issued. Now, hon. gentlemen will at once admit that in order to make any comparison between accounts of any description those accounts must synchronize—that is to say that all the liabilities which are in the later account compared with the former account must be included in the former account, that if you eliminate liabilities in the former account it is utterly impossible to get a comparison of any description. That being understood let me say that I hold in my hand the report of the Canadian National Railways for the railway year ending 31st December, 1924, being the railway report that my right hon. friend quoted from in arriving at his conclusion that there had been an increase of $176,796,490 in the railway debt to the public for the period from 31st December, 1921-31st March, 1925. I would ask hon. members to consider what is in that account. It can be seen at a glance. It is the long term indebtedness of the railway company, which includes the guaranteed debt,—the indebtedness guaranteed by the Dominion, certain indebtedness guaranteed by the provinces, and certain long term securities not guaranteed at all. In addition to that this account includes—and I would ask hon. members to mark this well—certain equipment securities and also certain securities of affiliated companies. Now the same situation must be viewed with the 1921 accounts. You have to take into consideration the long term debt, the equipment securities, and also the securities of the affiliated companies which are reproduced in this particular account, or in other words the balances unpaid which are reproduced in this particular 1924 account. I will call the attention of hon. members particularly to one security mentioned in this account:

Five per cent Canadian Northern income charge debenture stock, $24,137,846.08.

Now the leader of the opposition arrives at his figure of $176,796,490 in the following manner. He took the Grand Trunk Railway account of 31st December, 1921, as taken from the Grand Trunk Railway report of 1921, page 8:

Interest bearing obligations outstanding..	$371,042,194
Less Dominion government (as per page 13) loan and interest..	76,965,322
Balance to the public..	$294,064,872

The Canadian Northern debt as at 31st December, 1921, is taken from the Railway and Canals report for 1921, pages 35 and

36 being: Funded debt including affiliated companies, $302,399,007.

And the Grand Trunk Pacific, as of 31st December, taken from the same source amounting to $157,699,714. If hon. gentlemen will add together these three figures they will see that they come to $755,115,592.

The right hon. gentleman (Mr. Meighen) then proceeds. He adds to the debt in the account Canadian National Railways, of the 31st December, 1924 as $913,913,082, the issue of $18,000,000, issued after the 31st December, which makes the debt he states of the Canadian Nationals, 31 March 1925, $931,913,082. Deducting $755,115,592 from $931,913,082, the figure he arrived at is $176,796,490. These are the figures given by the right hon. leader of the opposition. Let me again make the point clear, that there must be taken into the previous accounts the same classes of securities and liabilities as are incorporated into the last account, because it follows that if any are omitted in the previous account, then the debt as existing on the 31st December, 1921 will be made so much less, and in consequence the increase between that date and the 31st March, 1925 will be made so much greater. In other words, it has been sought to make the debt of the Canadian Northern, plus the Grand Trunk, plus the Grand Trunk Pacific, as small as possible on the 31st December, 1921, so that the increase between that account and this account, namely the account 31 March 1925, will be as large as possible, and he makes it $176,796,490. In order to get at the particular situation each of these accounts must be examined. We first of all will take up the Grand Trunk account, and in all these accounts I am quoting only and solely from the official reports, the reports of the railway companies and of the Department of Railways and Canals. The Grand Trunk report of 1921, page 8, gives the funded debt as given by the leader of the opposition at $371,042,194. From that you have to deduct the amount due the Dominion government exclusive of interest, of $73,702,154, leaving a difference of $297,340,040; but he has omitted from that particular statement as he brings it forward to the House the obligations of affiliated companies. I will place the detail figures on Hansard, if I have the permission of the House to do so. There is omitted from that particular statement the following—

Outstanding obligations of affiliated companies, taken from Railways and Canals report for 1922, page 49. The total figures later came to hand but made no material difference as follows:

Great Western—4%..	10,964,416	
G. T. Junction—5%..	938,960	
Milwaukee Car—4½%..	17,000	
New England Elevator—3¾%.. ..	190,000	
Portland Elevator—4%..	75,000	
Montreal Warehousing—4%.. ..	1,000,000	
Rail River and Coal—5%.. ..	1,546,000	
		14,731,376
Non-negotiable debt to affiliated companies		1,780,682
G. T. Western—6%—Equipment Notes.. ..		2,891,000
		19,403,058

In other words there was omitted from this particular statement the sum of $19,304,058, which brings the Grand Trunk statement of account as of 31st December, 1921 to the sum of $316,743,098, and not as stated by the right hon. leader of the opposition, $294,064,872.

Now turn to the Canadian Northern and we will adopt the same procedure. The funded debt is given by the hon. leader of the opposition on the 31st December, 1921, as $302,399,007, but there was not included, as there should have been included and added, the five per cent income charge convertible debentures, and further than that the equipment trust obligations shown in this statement, and further the short term loans secured by collateral or mortgage which the Canadian Northern owed. In other words there was omitted from that statement submitted by the leader of the opposition $103,097,826. That is to say, the debt of the Canadian Northern on the 31st December, 1921, was $405,496,933, and not as stated by the leader of the opposition, $302,399,007. These particulars I would also ask to put on Hansard, so that there will be no question about them at all and this is how the Canadian Northern debt to the public appears 31 December, 1921:

5 p.m.

Funded debt..		$302,399,007
Add the following omitted—		
5 per cent income charge convertible debentures. .	$24,999,388	
Equipment trust obligations outstanding..	36,656,000	
Short term loans secured by collateral or by mortgage.	41,442,438	103,097,826
Correct debt to public 31 December, 1921..		$405,496,933

Now we come to the Grand Trunk Pacific statement. That was submitted by the right hon. leader of the opposition at the sum of $158,699,714, and that was taken from the report of the Department of Railways and Canals for the year 1921, page 39. The Grand Trunk Pacific is in a different position from these other companies. Certain liabilities appear in that account which should not appear, and certain other liabilities appear

belonging to the Grand Trunk which should not appear. In other words, what we have to try and arrive at, as of the 31st December, 1921, is the net debt to the public owing by the Grand Trunk Pacific, not the net debt owing by the Grand Trunk Pacific to the Grand Trunk, not the liabilities which on the face of the issues were outstanding of which a large part was held by the Minister of Finance, but the net debt due to the public the whole so as to properly compare with the account of 31st December, 1924. In other words, so that the Grand Trunk Pacific account will synchronize with the Canadian National account of the 31st December, 1924.

In the Grand Trunk account there is an issue $68,040,000 of first mortgage bonds, and although that appears in the account as forming part of the $157,699,714 quoted by the right hon. leader of the opposition, it was not really an owing to the public because a large part, namely, $33,048,000 was held by the Minister of Finance; consequently deducting from the $68,040,000 that $33,048,000 there would be left at that time outstanding of the first mortgage bonds (3%) the sum of $34,992,000 which is the exact amount stated in the Canadian National statement of the 31st December, 1924; and in addition to that there requires to be deducted bonds owned by the Grand Trunk. The Grand Trunk Pacific account therefore is as follows:

Funded debt to public as given by the leader of the opposition (Mr. Meighen).. ..		$157,699,714
Less—1st mortgage 3% bonds held by Minister of Finance.. ..	$33,048,000	
Less owned by Grand Trunk—4% Saskatchewan Bonds..	1,435,644	
4½ Terminal Sterling Bonds..	1,881,792	
5% First Mortgage Sterling Bonds G.T.P. Elevator Co...	1,862,352	38,227,788
Net debt due public 31 December, 1921..		$119,471,926

Now I want to bring the three accounts together in order to determine what is the actual position of the three railways now forming part of the Canadian National as they were on the 31st December, 1921, on which figure is based an increase of $176,796,490 as stated by the right hon. leader of the opposition. As I have stated, the Grand Trunk debt should be $316,743,098; the Canadian Northern debt, $405,496,933; the Grand Trunk Pacific debt $119,471,926, making a total of $841,711,957. That was the debt on the 31st December, 1921 of these three constituent companies due to the public, and the right hon. leader of the opposition stated that that debt at that time was $754,175,593. In other words he under-calculated the sum of the three debts by $87,536,364. Naturally that under-calculation made the increase over the three years and three months—that is to say from the 31st December, 1921 to 31st March, 1924—that much greater.

Now let us prove out that situation just to see if we are right. The debt to the public in the account of the Canadian National as stated is $913,913,082. To that amount requires to be added the $18,000,000 issue made after 31st December, 1924. There also requires to be added a further $6,000,000 not appearing in that account, because the bonds were redeemed before the end of the year although they were replaced later by other bonds. That makes a total debt to the public on March 31, 1925 of $937,913,082. Deduct from that the correct debt, as ascertained, of the three constituent companies of $841,711,957, and it gives an increase on the railway debt to the public of $95,201,135 for the period 31 December 1921 to 31 March 1925—and not $176,796,490 as stated by the leader of the opposition (Mr. Meighen). Now the government admits an increase of the railway debt to the public of $102,122,196, unrevised figures. Therefore it simply means that it has not taken advantage of refundings amounting to $6,921,061. In other words, the government has over-stated the increase in the railway debt to the public during the period 31 December, 1921 to 31 March, 1925, by nearly $7,000,000.

But we can take another way of arriving at the result. Let us take my right hon. friend's increase of $176,796,490. If you deduct the sum of $87,536,364 the amount of his under-calculation, you will arrive at the figure $89,260,026; and if you add the $6,000,000 to which I have referred, as not included in my right hon. friend's statement and which must be included, you will get $95,260,026, or substantially the same figure as I have given. But when all is said, that is an exceedingly tortuous and circuitous way of arriving at this particular figure, and as a matter of fact there was no necessity at all to go back to all these accounts. All that was necessary in order to arrive at precisely the same result and to determine beyond the shadow of a doubt what had been the increase in debt during the last three fiscal years or even from 31 December 1921, was to take the bond issues

to the public from that date being virtually during the fiscal years 1923, 1924 and 1925, and deduct from the face value of those issues the amount used for refunding less also refunding from cash and that would give an increase of $102,122,196. Nothing could be simpler; the matter is perfectly clear. The only way the railway could increase its debt to the public was by borrowing; and if you take the sum total of borrowings, less the sum total of refundings from bonds, and less the sum total of refundings from cash, you will get at what is the correct figure. And there is no other figure you can arrive at. That is precisely how I calculated the increase during the three preceding fiscal years; and with your permission, Mr. Speaker, and the permission of the House I will place on Hansard schedules showing how that increase is arrived at. During the last three fiscal years bonds were issued to the public to the extent of $173,875,000, and there were refundings and reductions in the railway debt to the public from proceeds of bonds or from cash to the extent of $71,752,804, bringing out precisely the figure of $102,122,196. I have all these figures prepared in a statement, but it is a dreary business quoting, and a still more dreary business listening to, statements of this kind. I will simply put them on Hansard in the shape of tables so that the balance may be struck.

For particulars see schedules—marked Railways nos.—1-2-3-C—	
31 Dec., 1921—Bond issues..	11,000,000
31 March, 1922—Refunding..	11,000,000
Increase..	.....
Fiscal year, 1923—Bond issues..	.....
Refunding from cash.	25,275,902
Fiscal year, 1924—Bond issues..	72,500,000
Refunding from bonds.	11,469,369
Increase..	61,030,631
Fiscal year, 1925—Bond issues..	90,375,000
Refunding from bonds.	24,007,533
Increase..	66,367,467
Recapitulation—Increase, 1924..	61,030,631
Increase, 1925..	66,367,467
Total increases..	127,398,098
Decrease, 1923..	25,275,902
Increase 31 Dec., 1921—31 March, 1924..	$102,122,196

NOTE.—

Before revised figures as submitted by the Prime Minister.

This process is precisely the same and with the same particulars in all respects as the increase of $50,884,485 is arrived at for the previous three-year period fiscal years 1920, 1921 and 1922.

[Mr. Marler.]

The third point I desire to make is one I emphasized when the leader of the opposition (Mr. Meighen) was speaking. I stated that the combined debt of the country, that is to say, the increase in the net consolidated debt and the increase in the railway debt to the public, had increased during the three fiscal years 1923, 1924 and 1925 to the extent of $111,473,508, less the revised figures as submitted by the Prime Minister (Mr. Mackenzie King). The leader of the opposition brought forward an entirely different set of figures; he said that the combined debt of the country had increased to the extent of $262,560,105. In that sum was included of course the $176,796,490, which is the increase he claimed in the railway indebtedness but which increase was really $102,122,196—unrevised figures. He claimed also that the increase from December 31, 1921, to March 31, 1922, had amounted to $64,625,860; and his claim in that respect was this, that the new government having taken over on December 29, 1921, was responsible for all expenditures and all increases in the debt after that particular date. All I can say in reply to that is that the idea is preposterous. Who ever heard of new directors coming into a company who cut off as sharp as possible everything that had gone before and started out at once making purely new expenditures? Why on December 31, 1921, when the present government took charge, there were countless contracts and countless obligations that had to be fulfilled, with which they had had absolutely nothing to do with the making of. The estimates which were prepared and brought forward and on which all these contracts were based were prepared and passed by the preceding administration and all had to be met. And more than that, a great deal of the income of the country for the fiscal year 1922, had been paid in by December 31, 1921, and that was all applied to that period. Certain portions of the interest due for the fiscal year ending March 31, 1922, but accuring up to 31 December, 1921, had not come in at all. It is utterly impossible therefore to strike December 31, 1921, as the line of demarcation and to say that the debt at that particular period of the year was such and such an amount, and that at March 31, 1922, it had increased by reason of the operations of this government, in that particular period, to the extent of $64,625,000. The only fair way to take the increase in the debt, the only just and reasonable way, is to take the commencement of the fiscal year 1923, when the present government took charge and entered into their own obligations, plus the obligations of the preceding administration, for which they were responsible

in great part and which they had to carry out. Further than that, my right hon. friend submitted certain other calculations which brought the increase, as he figures it, up to $262,000,000 odd. I have prepared, and with the permission of the House I shall place on Hansard, figures showing exactly what was the increase in the combined debt for the two 3-year periods in question—that is to say, for the 3-year period fiscal years 1920, 1921 and 1922 and for the 3-year period 1923, 1924 and 1925. And as I have stated, the increase in the net consolidated and in the railway debt to the public for the period fiscal years 1923, 1924, 1925, the figures in regard to which I have checked up, balancing them correctly in all respects, comes to a total of $111,473,508 which is the increase in the combined debt. Taking from that the adjustments given by the Prime Minister in his speech, as will be seen at page 2645 of Hansard, of $11,643,000, it makes the net increase in the combined debt for the 3-year period of fiscal years 1923, 1924 and 1925 inclusive the sum of $99,830,508.

These are the three points I desire to bring out, and I have submitted my authorities. These authorities and statements, as I have said, will be placed on Hansard to prove these three points, which are these: That during the first 3-year period covering the fiscal years 1920, 1921 and 1922 the railway indebtedness to the public increased by over $50,000,000, which should have been added to the public debt and which was not so added; that during the succeeding 3-year period the railway indebtedness to the public increased $102,000,000, which was added to the combined debt of the country, and not by $176,000,000; and that the combined debt of the country increased during the last three fiscal years $99,830,508.

Mr. HUGHES: What was the combined increase in the first three-year period?

Mr. MARLER: We must not forget that the war period came in there.

Mr. HUGHES: But apart from that?

Mr. MARLER: Apart from the war expenditure, the increase from expenditure was $307,124,600.

That is all I have to say, Mr. Chairman, on this rather complicated and dry subject, but I wish to get these figures before the House and on Hansard to refute the statements made by my right hon. friend in the course of his speech on the budget a few days ago.

BOND ISSUES: RAILWAYS 1

—	—	Fiscal Year	Due	—	—
				$	
6% Notes	Canadian Northern	1920	1922	5,651,000	N/G.
6% Notes	Canadian Northern	1920	1924	4,349,000	N/G.
5% Notes	Canadian Northern	1920	1922	5,109,026	G.
5½% Notes	Canadian Northern	1920	1922	6,000,000	G.
5½% Notes	Canadian Northern	1920	1924	6,000,000	G.
6% Equipment C	Canadian Northern	1920	Ser. 1929	7,500,000	N/G.
6% Equipment D	Canadian Northern	1920	" 1929	7,500,000	N/G.
Total during year				42,109,026	
7% S. F. Deb. Bonds	Canadian Northern	1921	1940	25,000,000	G.
7% S. F. Deb. Bonds	Grand Trunk	1921	1940	25,000,000	G.
7% Equipment E	Canadian Northern	1921	Ser. 1935	15,000,000	N/G.
6½% Equipment F	Grand Trunk	1921	" 1936	12,000,000	N/G.
Total during year				77,000,000	
6½% S. F. Bonds	Canadian Northern	1922	1946	25,000,000	G.
6% S. F. G. Debentures	Grand Trunk	1922	1936	25,000,000	G.
5% 3-year Notes	Canadian Northern	1922	1925	11,000,000	G.
Total during year				61,000,000	
5% Equipment 1-5	Canadian National	1924	Ser. 1938	22,500,000	G.
5% 30-year Bonds	Canadian National	1924	1954	50,000,000	G.
Total during year				72,500,000	
4% 3-year Notes (July)	Canadian National	1925	1927	20,000,000	G.
4½% 30-year Notes (Sept.)	Canadian National	1925	1954	26,000,000	G.
4½% 10-year Notes (Feb.)	Canadian National	1925	1935	17,000,000	G.
4½% 5-year Notes (Feb.)	Canadian National	1925	1930	18,000,000	G.
4½% Equipment H	Canadian National	1925	Ser. 1939	9,375,000	N/G.
Total during year				90,375,000	

NOTE.—No bonds were issued during fiscal year 1923.

RAILWAYS 2

DISPOSITION OF CASH AND LOANS ISSUED BY OR ON BEHALF OF RAILWAYS:

Fiscal Years:	1920	1921	1922	1923	1924	1925
	$	$	$	$	$	$
Cash	55,264,143	109,662,654	97,950,645	77,863,938	23,710,617	18,027,000
Operating deficits and interest due public	23,360,893	52,787,194	36,543,342	36,722,181	20,285,149	18,027,000
Construction—betterments, capital, o/s liabilities—supplies	25,789,014	49,436,796	39,486,309	15,865,855	3,425,467	.....
Refunding	6,114,237	7,438,664	21,920,994	25,275,902	.....	.....
Total from cash	55,264,144	109,662,654	97,950,645	77,863,938	23,710,616	18,027,000
Guaranteed Loans	17,109,026	50,000,000	61,000,000	.....	72,500,000	81,000,000
Loans not guaranteed	25,000,000	27,000,000	.....	.....	.....	9,375,000
Total Loans	42,109,026	77,000,000	61,000,000	.....	72,500,000	90,375,000
Loan proceeds used for—						
Deficits	.....	432,591	19,660,690	.....	.....	3,316,940
Construction — betterments — capital—o/s liabilities—supplies	9,483,454	.....	13,055,994	.....	37,437,131	51,765,527
Refunding	17,109,026	48,943,961	27,697,659	.....	11,469,369	24,007,533
Discount	516,546	623,448	585,657	.....	1,093,500	1,910,000
Equipment from bond proceeds	15,000,000	27,000,000	.....	.....	22,500,000	9,375,000
Total	42,109,026	77,000,000	61,000,000	.....	72,500,000	90,375,000

RAILWAYS 3

ADDITIONS TO RAILWAY DEBT TO PUBLIC CAUSED BY BORROWINGS LESS REFUNDINGS:

Fiscal Years:	1920	1921	1922	1923	1924	1925
	$	$	$	$	$	$
Guaranteed loans issued	17,109,026	50,000,000	61,000,000	.....	72,500,000	81,000,000
Loans not guaranteed issued	25,000,000	27,000,000	.....	.....	.....	9,375,000
Total amount of loans	42,109,026	77,000,000	61,000,000	.....	72,500,000	90,375,000
Less proceeds used for refunding	17,109,026	48,943,961	27,697,659	.....	11,469,369	24,007,533
Net addition by way of borrowing	25,000,000	28,056,039	33,302,341	.....	61,030,631	66,367,467
Less refunding from cash charged Consolidated Revenue Fund	6,114,237	7,438,664	21,920,994	25,275,902	.....	.....
Net addition to railway debt	18,885,763	20,617,375	11,381,347	.....	61,030,631	66,367,467
Decrease in railway debt	.....	.....	.....	25,275,902	.....	.....

RAILWAYS C.

DETAILS OF RAILWAY DEBT RETIRED—FROM THE PROCEEDS OF LOANS IN CASH FROM THE GOVERNMENT AND RAILWAY BOND ISSUES TO THE PUBLIC

FISCAL YEAR 1919–20

Redeemed from Cash Loans—		
Canadian Northern Railway—		
Loan from the Canadian Bank of Commerce, Toronto, obtained in 1914	$ 1,250,000	
Miscellaneous London loans	104,504	
		$ 1,354,504
Equipment Trust Notes redeemed		4,705,000
Sinking Funds		54,733
Total from Cash Loans		$ 6,114,237
Redeemed from Guaranteed Loans—		
Canadian Northern Railway—		
Loans from the Canadian Bank of Commerce, Toronto	$ 12,000,000	
Loans from London Bankers, £1,049,800	5,109,027	
Total from Guaranteed Loans		$ 17,109,027
Grand Total 1919–20		$ 23,223,264

FISCAL YEAR 1920–21

Redeemed from Cash Loans—		
Canadian Northern Railway—		
Equipment Trust Notes	$ 5,530,000	
Sinking Funds	54,733	
		5,584,733
DEDUCT—Amount repaid the Government on account of loan under War Measures Act, repayment made from proceeds of Guaranteed Loan as shown below		*1,466,044*
		$ 4,118,689
Grand Trunk Railway—		
Short term bank loans	$ 2,456,275	
Equipment Trust Notes	863,700	
		3,319,975
Total from Cash Loans		$ 7,438,664
Redeemed from Guaranteed Loans—		
Canadian Northern Railway—		
3 year 5% Guaranteed Notes, £3,650,000	$ 12,934,487	
10 year 5% Duluth, Rainy Lake and Winnipeg Bonds	2,000,000	
Canadian Bank of Commerce demand loans	9,132,272	
		24,066,759
Repayment to the Government on account of loan under War Measures Act		1,466,044
		$ 25,532,803
Grand Trunk Railway—		
5 year 5½% notes issued in London in 1915, £2,500,000	$ 12,166,666	
Current loans from London Bankers	5,992,492	
Detroit G. H. and M. Bonds	5,252,000	
		23,411,158
Total from Guaranteed Loans		$ 48,943,961
Grand Total, 1920–21		$ 56,382,625

FISCAL YEAR, 1921–22

Redeemed from Cash Loans—		
Canadian Northern Railway—		
Retirement of mortgages on property	$ 304,215	
Acquisition of Capital Stock of G.W. and P.	1,407,000	
C. N. Coal and Ore Dock Co.	125,000	
Dalhousie Navigation Co., including purchase of Str. Dalhousie City.	68,905	
G.N.W. Telegraph Co., 570 shares	5,700	
Equipment Trust Notes	3,372,500	
Sinking Funds	70,757	
		$ 5,417,077
DEDUCT—Amount repaid to Government on account of loan under War Measures Act, repayment made from proceeds of Guaranteed Loan as shown below		1,228,263
		$ 4,188,914

Grand Trunk Railway—		
3 year 6% notes issued 1918	$ 4,866,667	
G. T. Pacific 5% notes issued 1914	9,733,333	
Retirement of outstanding serial issued matured	138,000	
G. T. second equipment bonds	719,780	
Equipment Trust Notes	2,024,300	
Sinking Funds	250,000	
		17,732,080
Total from Cash Loans		$ 21,920,994
Redeemed from Guaranteed Loans—		
Canadian Northern Railway—		
Equipment Trust Notes	$ 3,193,500	
Sinking Funds	308,400	
		$ 3,501,900
Repayment to Government on account of loan under War Measures Act		1,228,163
Grand Trunk Railway—		
3-year 6% notes £3,000,000	$ 11,200,896	
Retirement of outstanding serial issues matured	150,300	
Equipment Trust Notes	366,400	
Sinking Funds	250,000	
		11,967,596
C. N. R. Ry. $11,000,000 Guarantee of March, 1922—		
5-year 6% secured notes	$ 5,651,000	
3-year 5% Guaranteed notes, £1,049,800	4,601,790	
Repaid to Government in 1922-23, on account of loan under War Measures Act	700,500	
Discount on issue	46,710	
		$ 11,000,000
Total from Guaranteed Loans		$ 27,697,659
Grand Total, 1921-22		$ 49,618,653

FISCAL YEAR 1922-23

Redeemed from Cash Loan—		
Canadian Northern Railway—		
5½% secured notes issued 1919 to retire London bank loans of 1914	$ 1,250,000	
Canadian Bank of Commerce Demand Notes	1,250,000	
5½% Govt. Guaranteed notes issued 1919 to retire bank loans	6,000,000	
5% land mortgage debentures issued 1913	7,099,493	
Retirement of mortgages on property	222,338	
Equipment Trust Notes	4,387,000	
Sinking Funds	554,733	
		$ 20,763,564
Grand Trunk Railway—		
Retirement of outstanding serial issues matured	$ 86,180	
Detroit, New Haven and Milwaukee notes	200,000	
Repayment of Temporary Loan from International Bridge Co	1,747,834	
Equipment Trust Notes	1,420,400	
Sinking Funds	1,057,923	
		4,512,337
Grand Total, 1922-23		$ 25,275,901

FISCAL YEAR 1923-24

From Loans—		
Canadian Northern Railway—		
5-year 6% secured notes issued 1919	$ 4,349,000	
Equipment Trust Notes	4,112,000	
Sinking Funds	363,133	
		$ 8,824,133
Grand Trunk Railway—		
Retirement of outstanding serial issues matured	31,836	
Equipment Trust Notes	1,063,400	
Sinking Funds	800,000	
		1,895,236
Canadian National Railways—		
Equipment Trust Notes		750,000
Grand Total, 1923-24		$ 11,469,369

FISCAL YEAR 1924-25

From Loans—		
Equipment Trust Notes	$ 6,856,400	
Sinking Funds	151,133	
		$ 7,007,533
3-year 5% Government Guaranteed Notes issued March, 1922		11,000,000
5-year 5½% Government Guaranteed Notes issued December, 1919		6,000,000
Grand Total 1924-25		$ 24,007,533

RAILWAYS 4

NEW MONEY PLACED IN RAILWAYS SINCE MARCH 31, 1919, LESS REFUNDING OF OBLIGATIONS SINCE THAT DATE:

Fiscal Years:	1920	1921	1922	1923	1924	1925
	$	$	$	$	$	$
1. Cash charged consolidated fund	55,264,143	109,662,654	97,950,645	77,863,938	23,710,617	18,027,000
2. Securities issued by or on account of railways	42,109,026	77,000,000	61,000,000	.....	72,500,000	90,375,000
3. Capital expenditure charged consolidated revenue fund	25,881,433	7,002,993	1,381,024	1,400,000	309,455	.....
4. Working expenses Canadian Government Railways C.R.F	6,792,648	6,954,621	6,326,800	5,695,669	.....	.....
Total all payments	130,047,250	200,620,268	166,658,469	84,959,607	96,520,072	108,402,000
Less refunding of previous obligations	23,223,263	56,382,625	49,618,653	25,275,902	11,469,369	24,007,533
Net cost in new money for the year	106,823,987	144,237,643	117,039,816	59,683,765	85,050,703	84,394,467
Items 1, 3 and 4 charged into consolidated fund	87,938,224	123,620,268	105,658,469	59,683,705	24,020,072	18,027,000
Add increase in railway indebtedness to public	18,885,763	20,617,375	11,381,347	.....	61,030,631	66,367,467
Total	106,823,987	144,237,643	117,039,816	.....	85,050,703	84,394,467
Railway bonded indebtedness decreased	.....	.....	.....	25,275,902	.....	.....

SCHEDULE SHOWING INCREASES IN COMBINED DEBT

THREE YEAR PERIOD—1920—1921—1922—PREVIOUS ADMINISTRATION

1920—			
Increase in Consolidated debt			$ 674,337,591
Railway Bond issues		$ 42,109,026	
Less refundings from Bonds	$ 17,109,026		
Less refundings from Cash	6,114,237		
		23,223,263	
Increase in Railway indebtedness to public			18,885,763
Increase in Combined debt			693,223,354
1921—			
Increase in Consolidated debt			$ 92,010,360
Railway Bond issues		$ 77,000,000	
Less refundings from Bonds	$ 48,943,961		
Less refundings from Cash	7,438,664		
		56,382,625	
Increase in Railway indebtedness to public			20,617,375
Increase in Combined debt			112,627,735

SCHEDULE SHOWING INCREASES IN COMBINED DEBT—*Concluded.*

1922—			
Increase in Consolidated debt			$ 81,256,818
Railway Bond issues		$ 61,000,000	
Less refundings from Bonds	$ 27,697,659		
Less refundings from Cash	21,920,994		
		49,618,653	
Increase in Railway indebtedness to public			11,381,347
Increase in Combined debt			92,638,165
RECAPITULATION—			
Increase Combined 1920		$ 693,223,354	
Increase Combined 1921		112,627,735	
Increase Combined 1922		92,638,165	
			$ 898,489,254
INCREASE DUE TO—			
Demobilization to extent of		$ 363,249,099	
Assets transferred to non-active List		228,115,555	
Expenditures other than demobilization		256,240,115	
Railway indebtedness to public		50,884,485	
			898,489,254
Net Consolidated debt March 31, 1919		$1,574,531,032	
Net Consolidated debt March 31, 1922		2,422,135,801	
Increase three year period			847,604,769
Add increase in Railway indebtedness to public			50,884,485
Total increase in Combined debt			898,489,254

THREE YEAR PERIOD, 1923, 1924, 1925—MR. MACKENZIE KING'S ADMINISTRATION

1923—			
Increase in Consolidated Debt			31,641,066
Railway Bond issues—			
Refundings from Cash		25,275,902	
Increases in Railway indebtedness to Public			25,275,902
Increase in Combined debt			$ 6,365,164
1924—			
Decrease in Consolidated debt			35,993,594
Railway Bond issues		72,500,000	
Less Refundings from bonds	11,469,369	11,469,369	
Increase in Railway indebtedness to public			61,030,631
Increase in Combined debt			25,037,037
1925—			
Increase in Consolidated debt			13,703,838
Railway Bond issues		90,375,000	
Less refunding from bonds	24,007,533	24,007,533	
Increase in Railway indebtedness to public			$ 66,367,467
Increase in Combined debt			$ 80,071,305
RECAPITULATION—			
Increase Combined 1923		$ 6,365,164	
Increased Combined 1924		25,037,037	
Increased Combined 1925		80,071,305	
			111,473,506
Increase due to Demobilization to extent of		$ 5,385,842	
Increase due to Assets transferred to non-active		904,730	
Increase due to Expenditures other than Demobilization		3,060,740	
Increase due to Railway indebtedness to public		102,122,196	
			111,373,508
Net Consolidated debt—31 March, 1922		2,422,135,801	
Net Consolidated debt—31 March 1925		2,431,487,113	
Increase three year period			$ 9,351,312
Add increase in Railway indebtedness to public			102,122,196
Total increase in Combined debt			$ 111,473,508
Less adjustments as per speech of Prime Minister—			
Hansard—p.—2752			11,643,000
Increase in Combined debt—3-years period			$ 99,830,508

Mr. W. F. MACLEAN (South York): Mr. Chairman, I am not going into details of the financial statement which has been submitted by the hon. member for St. Lawrence-St. George (Mr. Marler). I know the debt of Canada to-day is enormous, a large amount of it being due to the war, and also to unnecessary expenditure in railroad building. Faced with that condition, we have to find a way to meet it and to reduce our expenses, if this is possible. The net result, I find, is that we are not meeting the situation, but we are continuing in the carnival of extravagance in connection with railways that was begun some years ago.

Not long ago in this House I took occasion to draw the attention of hon. members and of the country to this mad carnival of extravagance, and while I did not get much of a report in the newspapers, I got a fair report in Hansard. Somehow the discussion I then started has spread all over the country, and to-day there is one question, and one question only, before the public: How can this awful carnival of extravagance be stopped?—how can curtailment be effected which will not injure the transportation service, and so help us to retrieve something from the mistakes that we have made in the past? My proposal was a very simple one, and it fitted in with the proposal made by the government to get control of ocean rates. I had the hardihood—perhaps it was courage—to suggest that the first thing to do in the way of solving this serious condition of railway extravagance was for the government to take over the Canadian Pacific Railway Company, which not only has a good railway system but also a first-class steamship service; and that if these two services were taken over and co-ordinated with the National, we would get a real steamship service which would enable us to control the ocean freight rates, and we could proceed to solve the railway question, which continues to become more and more serious, and which will almost wreck the country if it is not solved. The ex-Prime Minister (Mr. Meighen) to-day said that something must be done or wreck will come to somebody. I say this also, that that excellent railroad, referred to this afternoon by the leader of the opposition, the Canadian Pacific, will eventually be wrecked by the competition that is being forced on it by these demands for unnecessary railway services.

The Minister of Railways admitted practically everything said either by myself or by the member for North Waterloo as to the awful railway extravagance that prevails. The hon. member (Mr. Euler) made some inquiries and was in touch with Sir Henry Thornton when he prepared his argument, in the course of which he said, in effect, that if there was consolidation of these two railway systems, the economies that could be put into operation by reason of the consolidation would effect a saving to the country of $100,000,000 a year. That statement has not been denied. The public of Canada who have to pay this debt and pay the railway charges will hold this parliament responsible—will hold this government, this official opposition, and gentlemen down the line in their capacity as a portion of the opposition responsible—if we do not try to cure this evil.

Now, the minister said that certain proposals had been made to do away with this duplication, and also that certain proposals had been made in regard to a merger of the two railway systems; but virtually he said that it could not quite be done, that nobody wished to stop the fine service that the Canadian Pacific is giving to the country, that that company had to be kept in existence, and he made other statements along that line. But the responsibility is on him to deal with this situation, and not to sidestep the issue—for I take it that what he said amounts to sidestepping. In referring to my proposal, or the proposal of the member for North Waterloo, the minister also said that there was not anything definite to be dealt with. Well, I want to tell him that on March 31 of this year, when I brought up this question, I did present to the House and to the country—and it will be found on page 1771 of Hansard—a definite proposal to stop this awful extravagance, to secure economies, and so bring relief to the country. If anybody cares to turn up that he will find it all on that page. I have this further to say, that while I was brought up as a newspaper man and had a paper at one time, through which I could place my views before the public generally, not a newspaper in this country has published that little statement, which is a proposal to overcome this difficulty.

The main part of my proposal the Minister of Railways sidesteps again. My proposal was this—and he must deal with it, no matter what the cost of these railways was to us if we want to stop this carnival of extravagance, if we want to deal with the question effectively—we must consolidate the railways or we will get deeper and deeper into debt. It has been proposed that the two organizations should co-operate to cut off a train here and a train there. That

will give some relief, but the main relief can come only from consolidation. We must take the two systems and then by co-ordinating them we shall be able to give the best service at the smallest cost, and gradually pull the country out of the hole. But the government is not dealing with that proposal, nobody in this House is dealing with it. And yet the people are demanding that it be dealt with, and it will be the principal question before the electors when the next election is held. I am not going into the details of my proposal any further. The leader of the opposition in the course of his address here this afternoon justified the Canadian Pacific Railway, perhaps very properly so, and he seemed to think it was absolutely essential to the people of Canada that the Canadian Pacific and the Canadian National be kept in this state of most extravagant competition. I say this duplication of services, wherever unnecessary, must cease, and the only way to bring about its cessation is to create public opinion in that direction, and I am confident that that public opinion is now being created and will enforce itself in such a way as to compel some action by parliament.

Let me relate a little experience I had last week in regard to this duplication of services. After the all-night session, having an engagemen in Toronto for that day, I had the alternative of taking a local train from here to Bedell and there connecting with the Canadian, the Canadian Pacific train which arrives from Montreal that morning, and proceeding thence direct to Toronto; or I could go to Cobourg and there transfer to the International, the old Grand Trunk train of the Canadian National. Well, I made that transfer, and what did I see? Before I got to Belleville I had reached the area of competition which is the most lamentable and most shameful thing before the Canadian people to-day. For two hours the trains of these two different lines, trains of the Montreal-Toronto route, were racing each other to see which would get to Toronto first, and they were not as far apart as half way across the floor of this House. There they were, two mad trains rushing to Toronto, neither overloaded with passengers; the passengers looking out the windows, admiring the race and joking about it, and wondering at whose expense it was kept up. That went on until there was a diversion, but the race continued with the trains some distance apart. Now, that kind of race is going on all over the country through the unnecessary duplication of main lines and also on the branch lines system. My hon. friends of the Progressive party say it must continue in regard to the west. Well, if it is to continue they will have to pay the cost, because the people of Canada will no longer submit to paying it. The Minister of Railways and the government and parliament must deal with this situation, otherwise the country will become bankrupt. The hon. member for St. Lawrence-St. George (Mr. Marler) has just pointed out that the debt of Canada, both on account of railways and on account of consolidated debt, is steadily increasing. I do not want to be an alarmist, but something must be done. The minister is getting the figures ready with regard to the amounts owing by the various entities of the Canadian National system. The leader of the opposition said yesterday there were several hundred companies, was it, involved in the old Grand Trunk—

Mr. GRAHAM: More than a hundred in the two companies.

Mr. MACLEAN (York): More than a hundred, and no doubt the same kind of bookkeeping has to be kept on for some time yet to clear the thing up. But we shall not get relief until this extravagance of duplication is stopped, not until then will the country be able to regain its prosperity. The leader of the opposition said here to-day that something would have to be done, otherwise ruin would follow. With the duplication that prevails in the west, not only in the way of transcontinental lines, but in connection with branch lines, and with the constant demand for more branch lines all over the country, all involving a borrowing of additional capital, where is the thing to end? Who is to pay the debt, and what is to become of Canada? First of all, we should have a commission of about three men, trained actuaries, the best men we can get, to ascertain what the debt is in regard to the railways and what the debt is also of the country in connection with the war and other things; but I would clean up the railway question first. I would end all this discussion in parliament and the throwing of charges across the floor of the House as to what the actual amount of the indebtedness is. We know it is away up in the hundreds of millions; it is in the billions and it is growing, while the country is not growing proportionately to that increasing debt. I asked the minister about consolidation yesterday and he said it would take quite some time yet, perhaps two or three years. He is a very busy man, so I would get three of the best men available, put them in a room, give them the books and any clerical assistance they need, and have them get at the real

truth of our commitments in regard to these railways, as well as find out what are the essential railway services that ought to be maintained. As to the consolidation of the railways, I would suggest that once the two great systems are consolidated they should be put in charge of a board of from three to five men made up from the executives that now administer the two railways. The Canadian Pacific have succeeded in making good in connection with their railway, and they should certainly have representation on that commission. I would take care of the interests of the shareholders of the Canadian Pacific in a reasonable way; I would not want to see them wrecked. So we want one special commission to ascertain the debt and devise a scheme for paying it off, and we want equally a commission of from three to five men of recognized ability, men who have had successful experience in connection with the Canadian Pacific and the Canadian National, to make recommendations as to consolidation. I would say to this new commission composed of the best men of the executives of the two railways: Your duty is to examine the railway services of Canada to-day, and find out what is the best way to reconstruct them, and most of all to re-route the traffic. I questioned the minister about that yesterday, and he said that he had some idea of it, but the real solution of the railway problem in Canada to-day is to re-route the services.

Mr. GRAHAM: My hon. friend is attributing to me so many things that I did not say—he has said at least a dozen things I did not say or even hint at—that I cannot be interrupting him all the time to contradict them. I just wanted to ask him, does the scheme he outlines now mean government ownership?

Mr. MACLEAN (York): Absolutely. Government ownership has proven itself. It is the redeeming feature in the world to-day in connection with the problems of the world. I want to tell my hon. friend, and I have said it before in the House, that the greatest experiment in public ownership to-day is the National Reserve Bank system which is providing the reparations of the world in connection with the Great war. Public ownership in Canada has proven itself in the National Railways, and in Ontario, in the Hydro Electric system. We are running our street railways with electric power distributed under public ownership. I see the dangers of public ownership; I admit there are some dangers. I see the danger of political interference, but political interference is nothing compared to this wild carnival of unnecessary over-expenditure in connection with the railways.

I have stated once before that there has to be a consolidation. I have gone further and I have said to-day that there has to be a consolidation of the debt. I have gone still another step to-day, and I have said that a commission of three or five men made up of the members of the executive of the Canadian Pacific and the Canadian National, with the Canadian National having a majority on that commission, should be appointed, and I would put on them the duty of giving the people a fair and reasonable service clear across the continent, but no unnecessary trains, no unnecessary extravagance, no expenditure in advertising, no expenditure in soliciting business, but simply provide a railway service that will do the business of the country and allow us to get out of debt. I see my friend from North Waterloo (Mr. Euler) is listening to me now. He assisted —perhaps he did more than I did—I claim no special credit for it, but between us we have called the attention of the people of Canada to the condition of affairs that exists, and now that the people have been seized of it and want to see something effected we find the government saying that this mad dance must continue—choose your partners and on with the dance. I say, Mr. Speaker, this mad dance must stop, and that a cure must come. I have suggested the cure of ascertaining the debt, I have suggested the cure of consolidation, and I have also suggested to-day that a commission of operation be made up of the executive of the two systems which will find a way to reduce the expenditure, to improve the service, and to help us get on our feet again.

I absolutely disagree with the statement made by the leader of the Progressives that he wants to see the two systems kept in the west. It is all very good to have them if you can pay for them, but can we pay for this unnecessary duplication? I admit what has been stated in the House, that eventually immigration may come to our relief, and may call for more extensive services than we have to-day, but—

Mr. CALDWELL: Is the hon. member sure that he is quoting the leader of the Progressives accurately, that he insisted that the two systems must continue? I do not believe he is.

Mr. MACLEAN (York): I took him to mean that, and I am taking also what I read in the western papers.

Mr. CALDWELL: But you are quoting the leader of the Progressives, not the western papers.

Mr. MACLEAN (York): I said the leader of the opposition said to-day that he wants to see the Canadian Pacific remain where it is in competition with the Canadian National.

Mr. CALDWELL: But that is not the leader of the Progressives.

Mr. MACLEAN (York): Who said that?

Mr. CALDWELL: You are now quoting the leader of the official opposition.

Mr. MACLEAN (York): No, if I may mention the gentleman by name, I am referring to Mr. Forke. He practically said to-day that he wanted the two systems maintained, that they were essential to the development of the west. I say all that the west can call for, and all that this province and the east can call for, is a reasonable service based on consolidation of the two systems and the wiping out of all unnecessary trains and unnecessary equipment, and the adoption probably of the newer equipment that is coming, for to-day nearly everything in railroading is being scrapped. The new equipment will be an electric drive on the railways from electricity generated probably on the streams that run to the Hudson bay, and we have enough water-power on the slope that runs to the Hudson bay to give all the power we want to drive our railways. I may be asked, how would you get that power to our railways? Well, the scientists to-day are finding ways for the transmission of electricity under high tension; they are finding a way of transmitting it almost without wires, perhaps through a beam of some kind. They are working at something of that kind, and there will be a way of cutting down the expenses and improving the service, and of stopping this over-equipment that goes with this over-competition. Look at the equipment of the Canadian Pacific and the Canadian National to-day! Half of it would give a better service than the two of them give to-day, and at half the cost, and with half the number of men. The world is crazy to-day for duplication. We meet it every day in every direction, and we have got to stop it. I have said that unnecessary duplication exists in this parliament. Unnecessary duplication seems to be the craze of the world; there is duplication, duplication everywhere.

Mr. CALDWELL: Of speeches?

Mr. MACLEAN (York): And of speeches. My hon. friend is a good duplicator, but I scorn the allegation.

[Mr. W. F. Maclean.]

Mr. CALDWELL: I do not want to be misunderstood. I thoroughly agree with the hon. member.

Mr. MACLEAN (York): On behalf of the people of Canada I say, stop this railroad extravagance, find out what the debt is and consolidate it at the lowest possible valuation; then call in this commission from the two systems and put the responsibility on them of re-routing the service and of cutting off all unnecessary trains; let them give the country the service it wants, but no more than is necessary. For a time let us get down to the hard pan of the situation, and if we do that, you will see our country go ahead, and immigrants begin to come in here, and later they will be asking for increased railway accommodation. But in the meantime stop the extravagance, find out what the debt is, re-route the systems, and if you do that you will begin to solve the railway problem. But we are not solving it here when we talk about how big the debt is and how it is growing, unless we undertake the responsibility of trying to pay the debt and ascertaining what would be a fair valuation for the roads. If we will do these things we will give some real service to the country, and it would help us to recover from our mistakes of the past. In doing these things we will give some service to the country and we will try to retrieve our mistakes of the past, and certainly there has been a carnival of mistakes in connection with our railroads. If we do this, light will break on the present gloomy outlook, a great improvement will come to the country, and in that way there will be a better condition of affairs generally. Finally, we shall have a public prepared for economy instead of for a continuance of the wild extravagance that has prevailed in the past.

Mr. W. C. GOOD (Brant): I do not know that I would have intervened in the present debate if it had not been for the gentle reprimand given to me yesterday by the Minister of Railways (Mr. Graham). I should like to say, however, in regard to the question of immigration—which he dealt with yesterday and concerning which I asked him a couple of questions—that in my judgment there is no member here who is opposed to immigration. I think every hon. member recognizes that Canada needs population, that our railways need population, and that other things being equal we would be very much better off if we had fifty millions of people in this country. Every one of us wants to see Canada grow—wants to see agriculture grow, manufacturing grow, and indeed

all our industries grow; wants to see a very much larger, happier, and more prosperous population in this country. There is no difference of opinion in regard to that matter at all. The difference of opinion arises wholly in respect to the policy of assisted immigration—if you like, forced immigration, immigration regardless of conditions existing in this country.

Now, as I see it, Mr. Chairman, we have a situation something like this: We are trying to pour water into a leaky pail. We are using tremendous efforts to fill the pail, and the water is running out as fast as we can put it in. I brought to the attention of the House a year or two ago statistics in regard to our immigration policy for the last twenty-five years. I stated the amount of money we had spent during that time in connection with our Immigration department; and the results—the negative or absent results—were also indicated. Now then, is it sensible to keep on pouring water into a leaky pail? I want to stop the leaks, I want to divert some of our attention and some of our money to the stopping of the leaks. I only wish the Minister of Railways was in his seat; I would like to tell him, and tell the House, that if we would put more effort into the stopping of the leaks it would be to better purpose than simply to continue pouring water into a leaky pail.

Now let me specify one or two examples to the government. A number of us in this quarter of the chamber who are sceptical of the benefits to be received from an aggressive immigration policy under present conditions, are very anxious that the government should undertake some worth-while rural credit scheme. But year after year the government declines to act; we cannot get action. I do not know whether we can push it into action this year; we certainly pushed as much as we could last year although without much result. This is something worth while, this is something that will stop one of the leaks in our pail. If we can introduce and establish in this country a rural credit system comparable to the system operating in the United States we shall at least put some of our farmers in this country on a basis equal to that on which the United States agriculturist works. In that way and to that extent we shall equalize conditions as between the two countries. This is one way in which we may stop the leak in the pail and help to retain the population that we have. I do not think there is any use in getting foreigners into this country if they go out as fast as we get them, or if our native population goes out. I agree with the hon. member for George Etienne Cartier (Mr. Jacobs) that the best immigrants we get in this country are those who come by way of the cradle—they are the native born and they are the people that are going out. And why are they going out? The pail is leaking, and we have not made a real effort, not a determined and sustained effort, to stop the leaks. My theory and conviction is that the sensible policy is to get at the leaks first and then we can easily fill the pail. Now I suggest that rural credit legislation would be one way of stopping the leak. A sensible and just system of taxation would be another way of stopping the leak. But we cannot get the government to move in this direction either. I submit arguments and suggestions to the government in respect to the question of taxation. I tell them that the present system of taxation is onerous and unfair to industry, and a burden on the workers in this country; that it is driving the people out of Canada, that it is a bad leak in the pail, and I want them to stop the leak. But they do not move.

I have just mentioned two examples. Here is another example that has been already mentioned by the hon. member for South York (Mr. Maclean), namely, the amalgamation of our two great railway systems. It has been pointed out, and I do not think it has been denied, that thus we can stop a leak to the extent of $100,000,000 a year. That would be worth while surely. Surely that would help to retain our population, and to make immigration expenditures profitable, at all events to prevent their being entirely futile as they are likely to be under present conditions and as they have been in years past.

I must associate myself most definitely with the hon. member who has just spoken, and with the hon. member for North Waterloo (Mr. Euler), in my conviction that the only solution of our railway problem under existing conditions is amalgamation. Some time ago I was a little dubious, I suspended judgment in regard to what might be the proper policy, but to-day I begin to see, and I am coming more and more to the conviction, that this solution will have to come. If it has to come why not sooner rather than later? If we must deal with it some time why not tackle the problem now? Why go on wasting money? Why go on allowing the pail to leak? Why not stop the leak now? I must take issue with the remarks of my hon. friend the member for Brandon (Mr. Forke) who fears that if we have government ownership—I prefer the expression "public owner-

ship"—that if we have public ownership of all the railroads in Canada we shall have political interference and inefficiency. Why have we not got it now? I ask him and the House why it is, if we must have political interference and inefficiency in connection with public ownership of our railways, that we have not got it now? If the argument applies to the whole railway mileage it will apply to half the railway mileage, or a little more than half, that we are now operating under public ownership. I cannot agree with my hon. friend in his fear as to the consequences. I know that the problem of maintaining efficiency is a serious one in connection with all our business; but I see no reason in the world why in a matter of this kind, we cannot get just as faithful service under public ownership as we can under private ownership. I believe, and I honestly believe, that in the very few years that have elapsed since the present management took over the Canadian National Railway system we have developed a very marked degree of efficiency, a degree of efficiency that will compare very favourably indeed with that now obtaining in the Canadian Pacific organization. This is surely a direction in which we can stop one of the leaks, this is one of the ways in which our immigration policy may be made effective and not remain futile as it has been in the past. The Minister of Railways chided me yesterday—as he has chided other members in this quarter of the House—and hon. members opposite have often chided us, with having no faith in our country. I have faith in our country, I want to say that I resent the charge, I deny and repudiate the accusation of having no faith in Canada. Indeed I will say this: if by extending public ownership to cover all railway systems so that we can save $100,000,000 a year I think that I at least in advocating such a policy have more faith in the ability, the loyalty, and the public spirit of Canadians than has the Minister of Railways or my hon. friend the member for Brandon. I wonder if I might recall to the Minister of Railways the definition of faith which is given in the Good Book. Faith is there defined as "the evidence of things not seen" and "the substance of things hoped for."

Mr. GRAHAM: Has the hon. gentleman not got it wrong?

Mr. GOOD: No, I think that is correct.

Mr. GRAHAM: Better take another look. I think you have quoted it wrongly.

Mr. GOOD: I am satisfied that I am correct.

[Mr. W. F. Maclean.]

Mr. GRAHAM: "The substance of things hoped for" and "the evidence of things not seen."

Mr. GOOD: We have not yet in our railway business realized the ideal of economy, the elimination of these tremendous wastes that have already been so well outlined by the hon. member for South York. What we have in our mind's eye is the evidence of things as yet unseen, and surely we have the substance of things hoped for in the picture portrayed by the hon. gentleman who has just spoken; faith is "the evidence of things not seen" and "the substance of things hoped for."

Mr. GRAHAM: Wrong again.

Mr. GOOD: Well here is a splendid example of where it can be fittingly applied, and I suggest that if the hon. Minister of Railways wants to practise faith, he should accept the suggestion already made and tackle the problem now; a problem which surely will have to be tackled in the very near future at all events. I am sorry he was not in his seat when I made my earlier remarks, but I commend them to his serious consideration when he has time to read Hansard.

Mr. GRAHAM: I am afraid my hon. friend will have to revise his scriptural quotations. He is all right in the rest of his literature but wrong in that.

Mr. MACLEAN (York): Who is to be the judge? The Minister of Railways?

Mr. GRAHAM: No, the book from which the hon. member purports to quote.

Mr. SPEAKMAN: The Minister of Railways has read it more recently.

Mr. GRAHAM: No, but perhaps I have a better memory.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. F. S. CAHILL (Pontiac): I will not detain the committee very long as I do not intend to go into the figures that have been discussed by the leader of the opposition (Mr. Meighen) and by the hon. member (Mr. Marler). I have learned in my short experience in this House that every member supplies his own figures on every occasion, and about the only man who is convinced by those figures is himself. The leader of the opposition made the statement that his party had reduced the capital debt of the railways by $100,000,000 in the period be-

tween 1918 and 1921, and he afterwards explained that this was not what he meant; I presume that what he meant was that they had paid off the current liabilities of the Canadian National Railways in that period. It does not matter very much which way you take the figures; they are eventually a liability, and our liabilities in this connection are increasing rapidly enough to suit any of us, and perhaps too rapidly for most of us. However, the showing in the last three years, according to the figures submitted by the hon. member for St. Lawrence-St. George, who I must admit convinced me that his statements were correct, would indicate that the increase in the debt owing to the public was $102,000,000 for the three years from 1921 to 1924. It is a large amount of money, but I notice in looking over the reports of the Canadian Pacific Railway for a similar period that under the heading of capital they had increased their expenditures by something like $38,000,000 or $40,000,000. Of course, as the leader of the opposition pointed out, it is impossible to carry on an undertaking without incurring additional capital charges from time to time. But we are faced with a serious deficit every year amounting to something like $50,000,000, and a necessary capital charge which has amounted in the last five or six years to approximately $100,000,000. The leader of the opposition left to the people of Canada the legacy of the Canadian National Railways, the Grand Trunk Railway and the other roads that are incurring this huge deficit.

The carrying charges of the railways for the past five years have been about equivalent to the carrying charges of expenditures due to the war. The amount is not quite as great, but the rate of interest is a little higher; so that we are saddled not only with the expenditures of the war but also with a liability in connection with our railways which just about doubles that amount, making it necessary for the people to accumulate by way of taxes the sum of between $180,000,000 and $200,000,000 per annum.

There has been considerable talk of amalgamation not only on the part of members in this House but also in the press of the country. Now amalgamation is a beautiful dream if you can convince yourself that $100,000,000 a year is to be saved; but it is only a dream after all, and I believe that the result can be attained in a much better way. Personally I am not so sure that I should prefer a monopoly under public ownership to one under a privately owned concern; I believe one would be just as bad as the other. Indeed, I do not know that it would not be worse to have it under public ownership if we have to have a monopoly. If you put the transportation system of this country in the hands of one man with one board of directors you put at the mercy of that one man the entire commerce of the country; all the commercial interests would be at the mercy of the railway company handling our transportation facilities. And that concern could make the grass grow on the streets of Ottawa. After all, these men are only human and if they had a grievance against any city they would penalize that city. In short, the country would be in an impossible position, and every man would be catering to those who controlled the transportation system. If it were a private system there would be some check on it by parliament, for the private individual could air his grievances through his representative. If on the other hand the system was under the control of parliament the private citizen would have practically no recourse, and you would have the difficulty of people coming to their representatives in parliament and looking for favours all the time. The management under public control could not be better and it might be worse; and altogether it would be an intolerable condition for the country. To put the whole transportation system in the hands of one man would be to have a centralized authority that would be oppressive to the people. Imagine a corporation with the ramifications of the railways of this country, extending all over Canada, employing upwards of 200,000 people, practically ten per cent of the male population. You can understand what condition you would be labouring under—not as my hon. friend fears, that politics would influence the railways, but the railways would control politics, and you would be in a worse position than ever.

Now, I think the same end can be attained under our present machinery. The railway commission should be authorized to deal with the railway services as between the railways, and as well it should be authorized to deal with branch line construction. No railway, branch line or otherwise, through virgin territory will pay for the first two or three years. As soon as a railway company has developed that territory sufficiently to earn dividends on its investment, then you have the other railway company attempting to get in to steal a portion of the business. The country cannot afford that. The railway commission should determine where branch lines should be built, and which railway company should build them. I would not say that

the railway commission should have the last word any more than it has now, but a railway company should have the recommendation of the commission before appearing before parliament for a charter to build a railway through any section of this country. In that way we would avoid the expensive competition that is going on now in railway construction and railway operation. Take, for instance, the train service between here and Montreal. My hon. friend the Minister of Railways and Canals (Mr. Graham) told us yesterday that the president of the Canadian Pacific said it would not be fair to ask his company to eliminate a train that is now paying, and that these trains were paying. That is quite true. And the minister is hoping to get the two presidents together in order to agree on the elimination of unnecessary services! It looks to me on the face of it as a hopeless proposition. Take the two trains between Montreal and Ottawa at 8.30 in the morning, and the two at 3.30 in the afternoon. Do you suppose that either president would agree to taking off one train at 8.30 or another at 3.30? Not at all. They are both profitable trains at the present time; but that business would be almost doubly profitable if handled by one train. If the railway commission were empowered to deal with the matter they might order one of the 3.30 trains of one company running from Montreal to Ottawa, and the corresponding train of the other company running from here to Montreal to be taken off, and in that way eliminate duplication. I think the same principle might be applied to freight traffic. We have the railways, but we are getting too much service for the traffic that is to be moved; that seems to be our great difficulty. The trains should be adjusted to the traffic. If there is sufficient traffic for all the trains now running, well and good, but if not, the superfluous trains should be taken off. Otherwise we shall never overtake our railway deficits. I feel that the minister should follow the suggestion made last night and bring this matter before the railway commission as early as possible. I do not think there is anything to be gained by delay, and I think there would be much saved by inaugurating this policy at an early date.

Some hon. members opposite, many of them of the Progressive group, and some members on this side as well, I think, and some of the Conservative party, are talking of reducing the capital of the Canadian National Railways. Well, at first sight that would seem to be a very simple matter—you merely write off a certain amount of capital. But it is not quite so easy as that. For instance, there are twenty-five million dollars worth of Canadian Northern railway income debentures and about thirty-five million dollars of Grand Trunk Pacific guaranteed bonds, sold on the basis of dividend payments as soon as the respective railways earn dividends on their capitalization. These two issues amount to about sixty million dollars, and on these the Canadian National Railway Company is not called upon to pay any dividend because it is not earning sufficient to pay dividends on the prior securities, that is, the loans of the Dominion government. If you wipe off these loans, and relieve the Canadian National Railways to that extent, as soon as earnings are more than sufficient to pay dividends on the existing securities the surplus will have to be applied to dividend payments on this sixty million dollars. So by the simple process of writing off the Canadian National debt to the Dominion government, you let the railway in for payment of interest on this sixty million dollars, without getting anything back on account of our loans.

Mr. STEWART (Humboldt): Has the hon member considered the seriousness of asking the people of this country who are producing the tonnage for the Canadian National Railways to try to pay freight rates which would provide dividends on a capital that is in no sense reflected in the earning capacity of the road?

Mr. CAHILL: Does my hon. friend think that anybody seriously considers that at present as a basis of rate-making? If there was anything in my hon. friend's argument, would it not be better to say—the Dominion of Canada will reduce their interest charge to the National Railways from 5 to 2 per cent, or something of that kind? Or if you want merely a mark to shoot at, why not say: When you earn fifty million dollars we will reduce the rate. But that has no bearing on rate-making whatever, and is not taken into account by the railway commission. The only objectionable feature about it is that you put before the management an impossible mark to reach if you ask them to overcome the interest on the deficits and on the huge capitalization. I do not think any person seriously hopes that we will ever reach the stage where the Canadian National Railways will be able to pay interest on the loans due to the government.

Now, Mr. Chairman, I have just one other suggestion to make. I think there are at present four committees before which the heads of the railways must appear at call. There is a committee of the other House, there is a committee on National Railways and Shipping, there is the Railway committee, and there is the Ocean Rates committee.

The special committee which was appointed last year, and re-appointed this year, the committee on National Railways and Shipping, is to my mind the proper body to deal with National railway matters, but I think entirely too much time of the officials of the railway is taken up by that committee. That committee represents a meeting of the shareholders of the company, just as the shareholders of the Canadian Pacific Railway company would meet. The officers prepare their report and submit it to the shareholders, and it is either approved or rejected. They do that in a day. It would be perhaps too much to ask the members of parliament or the members of this committee to get through with all the business of the Canadian National in a day, but I think matters should be so arranged that the committee could sit continuously for two or three days in order to go through the reports with regard to the railways. In this way you would save not only Sir Henry Thornton's time, but the time of perhaps twenty-five officials who have to come to these meetings. These men have to drop the work they are doing, come here and await the pleasure of the committee. The committee sits for two hours; perhaps some gentleman in the committee has a speech to make, and most of the time is taken up by that speech. Then the committee say to the railway official, "We will call you tne day after to-morrow." But when that time comes some internal arrangement in parliament has disorganized that arrangement, and the committee says to the official who has again come to Ottawa for the purpose of the meeting, "We do not want you to-day, but we will want you the day after to-morrow or next week." I think the committee should sit continuously from the time it starts until the sittings are completed—morning, afternoon, and night if necessary—so that the work could be got through in two or three days, thus obviating the necessity of the officials coming back here at odd periods with resulting disorganization of the work of their offices, of their inspection trips and everything else for an indefinite period. I also think that the question of the proposed branch lines of the Canadian National might well be referred to that committee, because after all that is the committee that is investigating the operations of the railway for the past year and it would be in just as good a position to determine the necessity or otherwise of these lines as the other committee would be. However, that is only a suggestion which I think would enable the work to be carried out with greater expedition and with less loss of time to the officials of the company, and consequently less financial loss to the people of Canada. But I think the first suggestion to put this thing in the hands of the railway commission and let them deal with it generally would save this country as much money as amalgamation, and would be a very much better proposal for the people of Canada. It would be the best solution, at least for the time being, of the whole problem.

I want to congratulate the Minister of Railways on his very excellent statement on the affairs of the railway for the past year, and I also want to congratulate him on his good luck in having such a fine organization to carry on the work of the huge undertaking we have launched upon in the way of public ownership in this country. I think it is nothing short of marvellous that Sir Henry Thornton has been able to make the showing that he has in so short a time. There is no doubt that the service on the Canadian National has improved beyond the expectation of any man in this House in the last three years. As has well been said by many members of the House, there is only one way they can now make profits from or get traffic, and that is by taking it from the other road; and the more they take from them, the worse off they will be. Unless we can get something in the way of co-operation, we shall be in the position of building up one institution at the expense of the other, both of which the people of Canada must maintain out of their own pockets.

Mr. MURRAY MacLAREN (St. John city and counties of St. John and Albert): Mr. Chairman, the hon. member for Pontiac (Mr. Cahill) has made a suggestion as to the sittings of committees, especially the committee on Railways; he has advised that a change be made in the method of holding the meetings of the committee, especially with a view to saving the time of the officials of the departments concerned. This reminds me of what I learned last year in Australia, namely, that in the case of several committees, committees which take considerable time, meetings were held during the parliamentary recess. Of course, the meetings were arranged to suit the convenience of members, particularly those who lived a long distance from the capital. In any case it seems to me that with the view of allowing members to attend the sessions of parliament and to interfere as little as possible with the work of parliament itself, these committees or certain committees might do their work during the recess. I understand that the plan is found to be a satisfactory one.

I wish to take this opportunity of bringing up one important branch of the subject now under discussion which I believe has not yet been referred to, namely, that of the Canadian National telegraphs and our cable service. It has often been said that trade follows the flag; I believe it is equally true, or perhaps more true, that trade follows the telegraphs and cables. I therefore wish to draw the attention of the House to the actual position of our Canadian National telegraphs and to certain peculiarities which at present exist.

The country is fairly well supplied with telegraphs of the Canadian National system, but up to last year one peculiarity of that system was that it did not extend to the Pacific coast on the one hand or to the Atlantic coast on the other. In the west it stopped somewhere in British Columbia; it did not go to the coast and thus provide direct communication with the cable service. On the Atlantic it stopped at Moncton, where there is naturally no connection with the cable service. Within the last year I understand the government has been able to take over some system so that the telegraph service now does extend to the Pacific coast and there is direct connection or contact with the cable service. That all seems satisfactory and as it should be. Moncton is 198 miles from Halifax, and there is that short break between the coast and the terminus of our Canadian National telegraphs. That, briefly, is the situation with regard to the telegraphs.

Now, about the cables: We know there is a Pacific cable owned jointly by the United Kingdom, Australia, New Zealand and Canada. I believe we have a one-fifth share in that cable. Apparently it is a profitable investment. I have the figures for 1923—I have not the information for last year—but I understand that in that year $350,000 was the fifth share that Canada received from the cable, and that going back eight years from 1923, the Dominion government has received from that cable the sum of $2,500,000.

Now we come to the Atlantic cable system, and I think many members who do not happen to be familiar with it will be surprised at the condition and service of the Atlantic cable system. Up to the year 1910 there were five British-owned cables on the Atlantic. They were then taken over by American interests, and in the year 1914, the year of the war, there was no British cable running across the Atlantic. That, I think, is an important and rather astounding fact. Let me tell the members just what the distribution of the Atlantic cables was in the year 1914. They were seventeen in number; thirteen were American, two were French, and two German. The two German cables during the war were seized. The British took one, the European end of it being led into Penzance, England, and the western end being brought into Halifax. The other German cable was taken over by the Americans and used between the United States and Italy.

Coming to the year 1921, the British government in that year bought a cable, which was called the Direct cable, for which they paid £570,000. That gave them a British-owned cable, and in addition they had the one that was obtained from the Germans. Now here is the present situation of the cable service on the Atlantic. There are nineteen cables: the Western Union has eight; the Commercial has six. These are both American companies, and they own fourteen lines in all. There are two French; two British, one British-owned and the other the one previously owned by Germany; and there is also the other German cable which is still being used by the United States and Italy. Canada has not shared in the expense of any cable across the Atlantic, nor has it any financial interest in any cable.

Now I want to lead up to the point of how it works out on the Atlantic. I am informed that if a member wishes to send a cable to the United Kingdom and he goes to one of the telegraph offices in Ottawa, to the Canadian National telegraph office, for instance, and says, "I wish to send a cablegram to Liverpool," that cable is taken and sent, but how is it sent? It is sent by the Western Union, an American cable service. If you specify that you want that cable sent by the British cable, which is called the Imperial cable, it cannot be sent, and the sender will be so informed, because the Canadian National sends by the Western Union, an American-owned cable.

Mr. GRAHAM: Would my hon. friend let me explain why? The reason why the Canadian National Telegraph Company works with the Western Union is that the other company made a contract to give all its business to the Canadian Pacific Railways, and we would get no return telegraphic traffic in exchange for any despatches the Canadian National might send that way. On the other hand, the Western Union give us a large share of their business, and by using their line we get an income that we could not get by using the other line.

Mr. MacLAREN: I am pleased to have the explanation, even if it be not altogether satisfactory in regard to what I have in mind.

Mr. GRAHAM: It is not to me either. I have tried to get the other arrangement made.

Mr. MacLAREN: I think I can suggest a way in which the minister might accomplish it. But let me point out first that if a member goes to the Canadian Pacific telegraph office here in Ottawa and tenders a telegram, if he does not specify what line he wants it to go over, it is sent over the Commercial line, an American service, but if he specifies that he wishes the cable sent over the Imperial cable, the Canadian Pacific will so send it. Now there is a peculiar position. The Canadian National Telegraphs cannot and does not send cablegrams over the British cable; it transmits them over an American cable, while the Canadian Pacific as a rule sends the cables over the American line, but on request will forward them by the Imperial cable, the British-owned line.

This matter was brought up at the Imperial conference in October, 1922, and I should like to read the Canadian press despatch which was sent to Canada in reference to that matter. It is dated London, October 17, and reads:

Canada has made her position on the Imperial conference cable question clear. At yesterday's sitting of the Economic conference Sir Laming Worthington-Evans, British Postmaster General, criticised some of the Canadian government departments for not using the Imperial cable which is operated between London and Halifax for the British government—

Mr. GRAHAM: That was the Postmaster General, was it not?

Mr. MacLAREN: It is so stated in the despatch. I think the Minister of Railways was present.

Mr. GRAHAM: That is right.

Mr. MacLAREN: It continues:

—its traffic being distributed in Canada over the Canadian Pacific Railway telegraph lines.

Mr. GRAHAM: Solely.

Mr. MacLAREN:

In reply Hon. George P. Graham, Canadian Minister of Railways and Canals, pointed out that the Canadian government was willing and anxious to do everything in its power to assist the Imperial cable, "but" he added, "it must not be forgotten that the Canadian National telegraphs are being operated as a business operation." Continuing Mr. Graham said, "we are prepared to have an interchange of traffic—

Mr. GRAHAM: Hear, hear.

Mr. MacLAREN:

—with the Imperial cable—

Mr. GRAHAM: Hear, hear. That is what I said.

Mr. MacLAREN: I do not quite see why the minister does not get it.

Mr. GRAHAM: I will tell my hon. friend if he will let me, because I remember very well.

Mr. MacLAREN: Shall I finish this statement first?

Mr. GRAHAM: I do not want to interrupt my hon. friend but I understood him to ask me a question.

Mr. MacLAREN:

—but you cannot expect the Canadian National to hand their messages over to the Imperial cable if the National gets no traffic in return. If they are to get traffic for the Imperial cable we should get something for our own National lines in exchange.

Mr. GRAHAM: Hear, hear.

Mr. MacLAREN:

We want reciprocity in traffic.

Mr. GRAHAM: Hear, hear.

Mr. MacLAREN: Now, Mr. Chairman, it may be a very dreadful thing for me to suggest that perhaps the Minister of Railways was asleep at the switch—

Mr. GRAHAM: Not at all.

Mr. MacLAREN: —when he made that remark at the Imperial conference.

Mr. GRAHAM: No. Now if my hon. friend will let me make the remark I was going to make a moment ago.

Mr. MacLAREN: Certainly, although I should like first to say something more.

Mr. GRAHAM: I was talking to the Postmaster General of the British government who made a contract to give all the business to the Canadian Pacific and none to the Canadian National. When the British government declined to allow the Canadian government to be in on it at all, I, as Minister of Railways representing Canada, took the ground that we were willing to make a reciprocal arrangement with the British government, but we were not prepared to give them our telegraph business unless they would give us some of the telegraph business which they control in return.

Mr. MacLAREN: I had not quite finished my statement.

Mr. GRAHAM: I am sorry, I apologize.

Mr. MacLAREN: May I say to the minister that if he had had a more specific knowledge of the conditions he might have succeeded better. Now what does the minister say? He says: We are prepared to have an interchange of traffic with the Imperial cable

Mr. GRAHAM: Hear hear.

Mr. MacLAREN: How can it be done? There is not any possibility of it. As I have pointed out to the House the Canadian National telegraph lines end at Moncton, 198 miles from the Imperial cable at Halifax. I would like the minister to explain—when he assures the Postmaster General in Great Britain that certainly he will do business in exchange—how he is going to do that when there is a gap of 198 miles between the terminus of the telegraphs at Moncton and the cable at Halifax?

Mr. GRAHAM: We send telegrams to Halifax.

Mr. MacLAREN: Not over the Canadian National line.

Mr. GRAHAM: But we send them to Halifax. We could make the connection just in the same way.

Mr. MacLAREN: I do not think that is altogether a satisfactory explanation on the part of the minister. The minister says that if the Imperial cable gets traffic from us we ought to get something for our own National line in exchange. But how can that be done? If the Imperial government sends a cable to Ottawa over the Imperial cable it will come to Halifax, and then it proceeds by some other telegraph line to Ottawa, because the Canadian National Telegraph Company has no connection at Halifax. I think that is quite clear.

Mr. GRAHAM: What about the existing connection?

Mr. MacLAREN: On the other hand if the National Railways want to send a message they can only send it as far as Moncton and from there it must be carried over the line of another company to Halifax.

Mr. GRAHAM: That is often done.

Mr. MacLAREN: With all due deference to the minister, and in saying this I do not think I am doing him an injustice, I think he was not familiar with the actual status of telegraphs and cables as regards the Atlantic coast.

Mr. GRAHAM: I am willing to make a reciprocal arrangement.

Mr. MacLAREN: This criticism seems to have excited the minister somewhat.

Mr. GRAHAM: Not a bit.

Mr. MacLAREN: I quite recognize how very efficient the minister is, in fact we look upon him as an outstanding man in point of efficiency, but in that particular matter it almost seems that he was asleep.—

[Mr. Graham.]

Mr. MACDONALD (Pictou): Homer sometimes nods.

Mr. MacLAREN: I did not say that he nods, I said he was "asleep at the switch" to use a railway term. I cannot help thinking that is the proper characterization to make.

Mr. GRAHAM: Not at all.

Mr. MacLAREN: The Canadian National cannot exchange business with the Imperial cable because it is not connected with it; the Canadian National line does not come within 198 miles of it, and there is that gap to be bridged. Be that as it may, the minister seems to be willing to meet the conditions now even if there was a lack of appreciation on his part of the conditions at the time in London. I would submit to the government and to hon. members that the present condition of our telegraph and cable system is not satisfactory either from a Canadian or from an Empire standpoint. It seems only fair that our country should have some financial interest in a British cable, that is one suggestion I make. The other is that if possible the government should proceed to obtain direct connections from Moncton to Halifax over a telegraph line controlled by the Canadian National Railway. I think it is a matter of common knowledge—and this shows that I am correct in the views I have been putting forward regarding the position taken by the Minister of Railways in London—that negotiations have been going on with the Western Union to attempt to secure a telegraph line, or running rights over such a line, to Halifax. I only wish they may succeed in the undertaking. I hope the government will persevere in securing connection by this means or by accomplishing it in some other way. But it certainly establishes a further point in my argument that as far as Canada was concerned the matter was in a confused state when discussed in London. I propose to say nothing further on this question except this: I hope that in our own interest, and in the interests of the British Empire, the Canadian National telegraph line will be extended to the Atlantic coast, and that we may also secure a certain financial interest in at least one cable. Because I believe that not only would this be a patriotic thing, but it will be in the interest of trade and the general prosperity of us all.

I do not propose to say more than a few words on the subject of the National Railways themselves. Eulogistic remarks have been made regarding the Canadian National Rail-

ways but I feel that I cannot concur in them; I dissent entirely from them. Why do I say this? I do not say it because I am opposed to government ownership. My sympathies lean towards government ownership and I do not criticize the board of directors of the Canadian National Railways on that ground. I base any criticism I have to make on the work of the board of directors not on the policy of government ownership. I think that the board of directors have failed in the task entrusted to them, first on account of the most obvious extravagance and unnecessary expenditure. If you consult the people of the Dominion at large you will not find three out of four who will not agree fully in the statement that the board are expending, especially at this time, absolutely beyond what is necessary and what is proper. That is one very brief criticism I have to make. I cannot concur in this acclaim of approval and applause for the board. I think it is a harmful thing to do. I think it should be brought home to the chairman of the board in the most forcible way that he is not consulting the interests and the pockets of the people of Canada.

Another point I desire to bring up is this. While the Canadian National Railways contime to use Portland, Maine, and New London as two of their ports, and while they continue to export over these rails and through these ports to the detriment of our Canadian ports and rails, it is a bad policy for this country alone. It does not pay. It pays the chairman and the board to make a little higher financial showing, but it does not pay the country. The money is not being spent here, but is being spent in Portland, Maine, and in New London, and so on. It is a bad financial venture, I take it, for the country to do that. In addition to that, it is contrary to the most solemn undertaking of parliament and contrary to the enactment of parliament that such a thing should go on, and therefore if the board continues to violate those enactments, it is the duty of the government to deal with the matter. Now I can assure the minister—and I know he takes a deep and kindly interest in the matter—that we will not have contentment and will not have satisfaction, in a large portion of the country, particularly in the Maritime portion of the country, while this trade going over our own rails is carried on in this manner, to the detriment of our own ports.

Mr. JOHN EVANS (Saskatoon): I should like to say a word on this important question from an agriculturist's point of view particularly. I realize that the railway problem of this country constitutes a national matter of the first importance; but before we make any move in the way of easing the burden of taxation in this respect, I think we should deliberate very carefully, so that we would not make another mistake which perhaps would land us in as bad a position as we have been in heretofore. We have two splendid systems of railway, I think as good as any in the whole world. They traverse territory which is ahead of anything in the world for productivity. I am not one of those who decry this country. I thoroughly believe in Canada and in our ability to meet every problem facing us today; but not just under present conditions. The only limit to production from an agricultural point of view, from one end of Canada to the other at the present time, is the tremendous cost of transporting the produce of the farms to the market; that is, in combination with the high cost of production and the wages—which it is necessary to pay in order to meet the high cost of living. Any move we now make must be with the one object in view, namely of obtaining cheap transportation for the heavy products such as wheat, cattle and so on, to the markets of the world, because these will be our chief exports for many years to come. The prosperity of this country will depend on the ease and the continuance of the transportation of these bulky commodities to the markets of the world.

I believe in amalgamation, and I am quite in accord with the view expressed by the hon. member for South York (Mr. Maclean), and some other hon. members in this House. The railways are a public utility, and must be publicly owned and managed in the interest of the public. I think it is unreasonable to expect that a public utility managed by a private concern will be run in the interests of the people at large. I believe in government ownership, and I am convinced that the time has come, because of the organization and concentration of capital, that public utilities must be owned and operated by the government That situation must be brought about in the interests of economic freedom and justice for all alike. I believe that all railways and all railway subsidiaries, such as express and telegraph services, should be taken over by the government and operated on behalf of the people. Private ownership of these public utilities has proved a dismal failure in the past in this country, from the viewpoint of the people. The present National Railways, when in private hands, was

quite as costly to the workers of this country as it is at present. Amalgamation under private control, would be even worse. The terrible cost of the National Railways, totalling perhaps a billion dollars, is hardly any more than the country has paid for the Canadian Pacific Railway up to date, if we reckon in everything. The land, the money grants and the completed lines handed over to that great corporation, with the tax exemptions, are hardly less than the amount the Canadian National stands the country to-day. But this situation can be overcome yet, even if we have to pay full value to bring the Canadian Pacific Railway under government control. At present the railway situation in Canada constitutes a menace, with half of it in private hands and the other half under government ownership. I think government ownership would be a reasonable thing for an intelligent people. The present situation constitutes a menace both to good government and service alike. We have witnessed the spectacle of this House and the Senate being divided on the matter of branch lines; and the government-owned system has already been put to a disadvantage and will continue at a disadvantage for all time to come if the railways are to remain as at present half publicly owned and half privately owned. By that statement I mean that the people's rights have really been sacrificed by their own representatives for the sake of the privately-owned concern. I could name instances of this, because of the delay in putting the branch lines bill through. The privately-owned concern, the Canadian Pacific Railway, has practically made their extension on the grade of the Canadian National Railway. A serious menace to good government and efficient service alike confronts us and we have to look this matter squarely in the face. The present railway arrangement in this Dominion can never be satisfactory, for there is distrust among the people and intrigue in government circles, which is the natural outcome of a dual system such as we have. The present state of affairs is fraught with dissatisfaction to the people in every way from the standpoint of service, as well as being pregnant with intrigue and corruption in our public life. It was mainly through the influence of the railways that reciprocity with the United States was defeated in 1911; which shows what a hold and influence they have over the popular will of the country.

Looking at the matter from another standpoint, I believe that either the government system must become simply a subsidiary to the privately owned railways, as they desire. to further their schemes of profit and aggrandizement through intrigue, or the privately owned system will be reduced perhaps to a stage of beggary comparable to that of the Grand Trunk Railway, when nothing will be left for us to do but to absorb the whole thing. The immediate problem of the government railways at the present time is to get them to pay their way. The Minister of Railways (Mr. Graham) has mentioned immigration as the one thing in sight to which we may turn for immediate relief. It seems to me that there is no basic industry to which we may look for relief in our financial distress except agriculture. With the exception of the fishing industry, the raw product of which enjoys no protection, agriculture is the only industry that pays its way; and it is doing so without any law-provided privilege. According to the owners of tariff-fed industries, all their finished products are of less value than the labour and material that enter into their makeup. If agriculture were freed from this incubus to-day it could in two or three years' time double its production; it could double its products for export and by 1928 it would I think tax our railways with their present capacity to move our wheat and cattle, our butter, cheese and meat and other products to the markets of the world. High freight rates during the last few years have seriously reduced our export trade. High freight rates have been caused practically by high wages; high wages have been necessary to meet the high cost of living; and the high cost of living is due to protection or the legalized privilege of price-fixing. The high cost of production on the farms has seriously cramped development in all parts of the country and it is unreasonable to expect much improvement in the railways until agriculture is freed from the burden of trade prevention taxes as a fiscal policy.

During the Easter holidays I took a trip to some of my old haunts near Owen Sound and it was borne in upon me that all agricultural development had years ago been arrested. I noticed that the same old heaps of stone that were hastily thrown into the middle of the fields when they were cleared were still there, and no improvement had been made. As a matter of fact, there has been no improvement on the farms of Canada for many years past, and it is disheartening to see the many vacant farm houses and abandoned homesteads which once were occupied by settlers hopeful of founding homes and families. Under present conditions immigration is simply useless and it is fraught with serious consequences by reason of the failures that are bound to ensue with the resulting

drift to the urban centres. I do not want to be misunderstood in this regard; I believe in immigration. But immigration is not the first thing to be attended to: the first thing is to create the conditions that will enable immigrants to make a living on the farms. The Minister of Railways (Mr. Graham) said in his speech yesterday, at page 3029 of Hansard, that if the men who come to Canada and those who are already here will show even to an approximate degree the stamina of our fathers and our grandfathers there will be more work and more men working in the country. Let us see. Our fathers and grandfathers who settled in Ontario came here to establish homes, and they spent all that they had in the attempt. They underwent many hardships in the hope of better times ahead. But as the years went on and the farms became cleared, the farmers found that in the meantime the government had made a bargain with another class of settlers, who founded cities, and who arrogated to themselves a privilege obtained by Red Parlour methods and political intrigue —the right to lay heavy burdens on the farm settler. These burdens have got heavier and heavier as the years have gone, until they are becoming unbearable, so that instead of farm proprietorship increasing, the increase is taking place among the wage-earning class in the cities, an increase out of all proportion to the rest of the population. Our railways as a public utility have been the first to feel this. The want of production is to-day the one reason why our railways are not paying their way. Only the other day I received from the Ministerial Association of Toronto, that good city, a circular letter protesting against immigration and consequent unemployment. The problem is already one of serious proportions in our cities. Now, these are the conditions at present prevailing; our farms are vacant and our lands undeveloped.

The Minister of Railways has said—and I do not think he should have said it—that our young men are losing their stamina as compared with our fathers and grandfathers. I do not think he should have said that of the youth of Canada. I think it is shown to be wrong by the very willingness of our youth in late years to shoulder the burdens of war. I believe that, given a fighting chance to-day, the youth of Canada will redeem the Dominion from this financial crisis. I say again, I believe in immigration as well, but immigration is not the first step to be taken. If the Minister of Railways had applied his words to the war profiteer, to the tariff-fed owners of factories, and to the bounty-bloated steel manufacturers, I think his words would have fitted much better.

There was, however, a very hopeful note struck throughout his presentation of the railway situation, and I believe that during the last three years the Canadian National Railway Company from being a by-word of mismanagement has passed to a position where a feeling of pride is felt by all of us in the knowledge that to-day we have a railway system unexcelled for efficiency. Sir Henry Thornton undoubtedly is doing well in that way. But it is certain that the farming population will yet need further railway facilities to carry their surplus products if they are to be given a fighting chance with other industries. I believe this is the reason why our railways to-day are not making good,—production is being diminished on our farms; and I think the best thing the government can do is to find out how to relieve the conditions that have brought about this diminution and so relieve of the incubus of every other industry in the country that one basic industry which alone can pay its way—agriculture.

Mr. JOHN CARRUTHERS (East Algoma): Mr. Chairman, in the first place I wish the House to understand that I am not wedded to the theory of public ownership, notwithstanding Sir Adam Beck and hydro and all that, but I must confess that in regard to our railway situation we are faced with a condition not a theory. Ever since the union of the Canadian Northern and Grand Trunk under government ownership I have maintained that it is not feasible to conduct two great railway systems in this country in competition one with the other if we wish to be fair to the privately owned company. I am not a recent convert to this idea, for last session I spoke upon this question in the following words:

> Let us look for a moment at the railway situation. In my opinion it is anomalous and cannot continue. The two great transportation systems comprise about thirty-eight thousand miles or more of road, built at a capital expenditure of over two billion dollars. large stretches of both systems running through barren territory which does not contribute any local traffic. In the next twenty years, even allowing for natural growth and development, there will not be traffic enough to pay interest on this immense capitalization. Yet Sir Henry Thornton states that he expects in less than five years to meet all overhead charges on the Canadian National lines, and I think he will be able to do it. If so, it will have to be done at the expense of the Canadian Pacific's business. Let our people be honest with themselves. This is a question of business competition, and as our business men realize more and more that every dollar they pay into the national treasury to meet our railway deficit is that much more added to their freight bills when they ship their goods over the Canadian Pacific Railway, there can be but one result.

Further on I said:

It is self-evident that the people of Canada will never permit the Canadian Pacific to absorb the National lines and thus form a huge monopoly which would own the political soul of this country, so the only alternative is for the government to take over the Canadian Pacific Railway, as it should have done long ago. I have nothing against the Canadian Pacific; I think it has been a splendid institution for this country and I would hate to see anything happen to it, but from the way things are shaping to-day I see nothing but ruin ahead, in time. Contrary to what a great many think, the majority of the stock of the Canadian Pacific Railway Company is not held by Canadians in Canada; in fact, only about 20 per cent of the stock is held in this country, 23 per cent in the United States and the remainder in other countries, chiefly in Great Britain. However, that does not matter. As I say, we do not wish anything to happen to this great institution, and I am therefore strongly of the opinion that the government should take it over in connection with the Canadian National lines. If these two systems were amalgamated they could be operated much more economically and the country would obtain the advantage in the lower freight rates.

That, Mr. Chairman, was my view a year ago. Since then I have travelled out to the Pacific coast on a trip of observation, going out by way of the Canadian National lines and returning by the Canadian Pacific, and I returned more convinced than ever that our railway situation is an impossible one. For that reason, as I say, I think the government would be well advised to carefully consider this situation. It would at once relieve them of two or three very difficult questions that are looming up to-day. One is the reduction of ocean freight rates by means of the Petersen contract. If the Canadian Pacific were taken over immediately, its fleet of 59 ocean and coastal ships would be available and in conjunction with our own merchant marine boats we should be well equipped to control ocean rates. Another difficult question is the equalization of railway rates, which could also be settled in that way. Thus, they could save the country from fifty million to one hundred million dollars a year—fifty million is the lowest and one hundred million the highest estimate I have heard mentioned. I tell the government that the people will not long stand for a continuance of two great railway systems once they realize that by amalgamation huge savings can be made annually.

I wish the Minister of Railways (Mr. Graham) to understand that my concluding suggestion is not to be taken as a joke. I believe $200,000 is to be spent upon the Hudson Bay railway this coming year. I think a portion of that money should be used to equip one of our merchant marine boats for the northern waters, and that we should send it up there to find out by practical demonstration whether or not that route is feasible. I think this is the only way by which this House and the country will be convinced of the commercial practicability of the route. I would also suggest that one or two members from each of the parties in the House might be put on board that ship, and if they ever came back they could speak with authority as to the feasibility of the scheme.

Mr. GRAHAM: Who would make the selection?

Item agreed to.

MARINE AND FISHERIES

Ocean and river service—maintenance and repairs to Dominion steamers and icebreakers, $1,500,000.

Mr. JELLIFF: How much of the vote of last year was spent?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): $1,468. This vote is for the maintenance and repairs of Dominion steamers and icebreakers. It is to provide for the maintenance and operation of vessels employed in the icebreaking service in the St. Lawrence and the gulf, and provides for the supplying and maintenance of lighthouses, buoys, beacons and similar aids to navigation. We have, all told, twenty-seven vessels engaged in this service, nineteen on the Atlantic and the St. Lawrence; four on inland waters, and four on the Pacific coast. No change has been made in the service, and the appropriation is the same as that of last year.

Mr. MEIGHEN: How is that celebrated icebreaker, the Mikula, getting on now?

Mr. CARDIN: The Mikula has been rendering very good service and has been of very great help in doing away with the ice in the lower St. Lawrence, so that navigation on that account has, I think, been opened a little earlier. A most important work done by these icebreakers is the preventing of floods along the shores of the St. Lawrence. This year we received many requests from residents in those districts asking that icebreakers be put into service as early as possible to prevent floods and consequent damage along the shore.

Mr. MEIGHEN: How much was spent on repairs to the Mikula last year?

Mr. CARDIN: Last fiscal year, $9,188.

Mr. MEIGHEN: How much the year before?

Mr. CARDIN: Unfortunately I have not that information. It was given when the estimates were before the committee last year.

Mr. MEIGHEN: How much has been spent on the boat for repairs since it was secured?

Mr. CARDIN: Unfortunately we have not the information, but if the right hon. gentleman desires it we will get it and furnish it in detail.

Mr. MEIGHEN: I would like to get the repairs year by year. The boat would be pretty much under repair all this time, would it not?

Mr. CARDIN: I do not think so.

Mr. MEIGHEN: How many days did it operate this last fiscal year?

Mr. CARDIN: The boat has been in commission since the 21st November last.

Mr. MEIGHEN: What is meant by that, "in commission"?

Mr. CARDIN: In operation.

Mr. MEIGHEN: Was it cutting ice through the winter?

Mr. CARDIN: Yes, all winter, in the lower St. Lawrence.

Mr. MEIGHEN: It has not been under repair since November?

Mr. CARDIN: No.

Mr. MEIGHEN: There is a surprising dearth of information about this vote. What repairs were made to this boat this year prior to November? The information I get about it is that it is tied up under repairs most of the time, especially when it is needed.

Mr. CARDIN: I am afraid the information is not quite accurate. I can give a list of the amounts which have been paid to the workers. They are as follows:

Machinists	$ 198
Boilermakers	1,310
Carpenters	276
Joiners	197
Caulkers	3,020
Painters	658

We have also paid for grate repairs to the boilers, $1,416. The total is $9,188.

Mr. MEIGHEN: What was the cost of operation last year?

Mr. CARDIN: It was $157,000.

Mr. MEIGHEN: Of the one boat?

Mr. CARDIN: Yes. I can give the details.

Mr. MEIGHEN: That is the cost of operating the one ice-breaker for a year?

Mr. CARDIN: Yes.

Mr. MEIGHEN: It is some figure!

Mr. CARDIN: It is some figure indeed. We paid out in wages, $40,000; board $15,000; fuel, $50,000, deck, engine and steward supplies, $13,500; uniforms for the men, $3,000; hull and engine repairs, $36,000, making a total of $157,000 for the maintenance of this vessel for the whole year.

Mr. MEIGHEN: How does it come that all these amounts for wages, board, engine repairs, and so forth, are in round figures? Is it by contract?

Mr. CARDIN: The figures I gave are not the exact figures, but round numbers.

Mr. MEIGHEN: How many icebreakers have we.

Mr. CARDIN: Three.

Mr. MEIGHEN: What is the cost of the others in operation?

Mr. CARDIN: The cost of operation of the Lady Grey is $88,100.

Mr. MEIGHEN: How much for repairs?

Mr. CARDIN: Repairs, $18,000. It must be remembered that these vessels are doing very hard work; they need to be specially constructed for this work, and they are in need of repairs much more than any other class of vessel which is navigating the St. Lawrence.

Mr. MEIGHEN: What is the cost of operation of the other boat?

Mr. CARDIN: The cost of operation of the Montcalm is $152,000 and the amount spent for repairs, $27,000. This boat is older than the others.

Mr. MEIGHEN: Are those three all we have?

Mr. CARDIN: We have just these three ice breakers.

Mr. MEIGHEN: The total of these figures is only between $400,000 and $500,000. What is the rest of the money spent on?

Mr. CARDIN: We have several other boats upon which we are making expenditures. We have in all, I said before, 27 vessels, but I think it is 26. A certain number are operating on the Atlantic and on the St. Lawrence, four are operating on inland waters, and four on the Pacific coast. These vessels are being used to carry the necessary supplies to the lighthouses, for the maintenance of the buoy service and for other aids to navigation.

Mr. JELLIFF: Are any of them operating in Hudson straits?

Mr. CARDIN: Not yet.

Mr. LUCAS: Where are these three icebreakers operating?

Mr. CARDIN: Two of them are operating in the St. Lawrence, and one is kept at Sydney, during the winter months, breaking ice in the maritime ports and in the gulf.

Mr. CARRUTHERS: Are there any on lake Superior?

Mr. CARDIN: No.

Mr. GOULD: What system of inspection has the department over the repairs that are charged up to these boats?

Mr. CARDIN: We have a staff of inspectors who inspect, in detail, the repairs that are made on all these vessels.

Mr. GOULD: Do the salaries of these men come out of the first item?

Mr. CARDIN: Not those of the inspectors. This work is done by contract awarded after tender.

Mr. COOTE: Has the department bought any new boats this year?

Mr. CARDIN: No.

Mr. KELLNER: What is the idea of breaking the ice on the St. Lawrence, is it to open navigation earlier, or to prevent floods?

Mr. CARDIN: There are two objects in view. One is to open navigation earlier on the St. Lawrence, and the other, and I think the more important, is to prevent the flooding of lands adjoining the river. The ice used to jam not very far from the Quebec bridge, and when this happened the St. Lawrence rose to such an extent as to flood the banks of the river and cause damage to property. Very serious damages have been caused by floods that have originated in this way. I think the experience of the department has vindicated the practice of employing these icebreakers. Since it was inaugurated no serious damage has been caused, whereas formerly much damage was wrought by floods.

Mr. KELLNER: How much earlier do you open navigation?

Mr. CARDIN: About two or three weeks.

Mr. ROSS (Kingston): What duty would the boats be doing in the months of November and December?

Mr. CARDIN: Making sure that the vessels leaving the ports of Montreal and Quebec will get safely to sea notwithstanding the presence of ice in the lower St. Lawrence and in the gulf.

Mr. ROSS (Kingston): At what date does navigation close in Montreal?

Mr. CARDIN: About December 4.

Mr. POWER: In view of the enormous cost of fuel has the department ever considered the advisability of converting some of these icebreakers into oil burning vessels?

Mr. CARDIN: The matter has not been considered. This, I think, is due to the opinion that oil would be a more expensive fuel than coal.

Mr. ARTHURS: Are these vessels equipped with the wireless?

Mr. CARDIN: Yes.

Mr. ARTHURS: The vessels of the department that go out on the Great Lakes are not so equipped. A couple of years ago I called the attention of the then minister to that fact, and last fall we had a disaster to one of the boats belonging to the department which was wrecked on the Georgian bay after all other navigation had closed. These vessels have to be out, long after all the other vessels are necessarily off the lakes in order to take in the buoys. I pointed out to the minister that it was absolutely essential—whether they replaced or refitted the Grenville that was lost on the occasion referred to—that it would be absolutely necessary for the vessel to be equipped with the wireless.

Mr .CARDIN: That is a question which is being considered in the department. We shall probably equip all these vessels, that do not now possess it, with the wireless. A certain number already have the wireless system, and it will likely be extended to the others.

Mr. ARTHURS: The minister promised that two years ago, and I tried to impress upon him the absolute necessity of fitting out each of these boats with wireless on account of the dangerous work in which they are engaged both before and after the navigation season.

Mr. CARDIN: I can assure my hon. friend it will be done.

Mr. MEIGHEN: When?

Mr. CARDIN: This year.

Mr. GOULD: The total amount stated by the minister as having been voted last year and spent was $1,500,000.

Mr. MEIGHEN: The minister said $1,468,000.

Mr. CARDIN: That was 1923-24.

Mr. MEIGHEN: What about last year?

Mr. CARDIN: Unfortunately I have not the figures up to the end of the fiscal year, but up to March 1 last we had spent $1,215,268.

Mr. GOULD: By the amount of the vote this year you anticipate the expenditure will be about the same?

Mr. CARDIN: Practically the same. For a long time past that is practically what the expenditure has been each year.

Mr. MEIGHEN: How much was spent on repairs to the Mikula in 1923-24?

Mr. CARDIN: I gave the total for all the steamers. I have not the figures which my right hon. friend wishes for the Mikula in particular, but I think I could get them for him later on in the evening.

Mr. MEIGHEN: I should like that information right back to the time of the acquirement of the Mikula.

Mr. McMASTER (Translation): I must, Sir, congratulate the minister on his courtesy. He addresses the House in such gentle tones that the Conservatives try to follow suit and are not heard, and even the most exacting Progressive speaks so politely that it is almost impossible to hear him in this part of the House. I respectfully request, while congratulating the minister on his control over the House, that all speak louder, so that the members who take an interest in the proceedings and are seated in the remotest parts of the House, may listen, hear and follow intelligently the debate.

Some hon. MEMBERS: Hear, hear.

Mr. JACOBS: Would the hon. member mind repeating that in French?

Mr. CARDIN (Translation): I do not know if it is because I am familiar with the French language, however, I have no difficulty whatever in hearing the remarks of the hon. member for Brome (Mr. McMaster).

Mr. STEVENS: I should like to ask the minister—I think it would come quite properly under this heading—regarding the disaster, an account of which we read in the papers, in which some nine lives were lost. I understand there was no adequate life saving apparatus at hand, although there is some obsolete equipment in the neighbourhood, and I should like to have a statement from the minister if he has made any investigation of the case to his satisfaction in order to account for both the disaster and the degree to which assistance was rendered or failed to be rendered. It is unfortunate that we should have to look into an accident of this kind after it happens, but it has happened, and every effort should be made to prevent a recurrence of such a thing. Furthermore I think parliament ought to take notice of this sad occurrence when these nine lives, I think that was the number, were lost under most tragic circumstances. I know the efficiency of the department, and I have no doubt the minister has made some investigation, but I think it is due to parliament that some statement should be made respecting this case.

Mr. CARDIN: The observations of the hon. gentleman might properly come under another item, because there is a vote further on which deals with the life saving service. However, I have no objection at all to state that we are making inquiry in order to get all the necessary information in regard to the accident to which my hon. friend has referred. Our information is not complete, so that I am not in a position now to make any statement in regard to it. As soon as we have obtained all the information, I shall be only too pleased to make a complete explanation of the situation to the House.

Mr. STEVENS: I quite appreciate that, and I suggest that this item, 216, "life saving service", including rewards for saving life, should stand until that information is to hand. Would the minister be good enough to make particular inquiries into the matter of the lifeboat or so-called lifeboat. I understand it was an old-fashioned rowboat, and not a power boat, and some nine men had been employed to manage it. I am speaking entirely subject to correction, but I think a very careful investigation should be made of that particular phase of the case, and when the item comes up, and this matter can be properly discussed, the minister will have this information at hand.

Mr. CARDIN: I quite agree that that item shall stand.

Mr. COOTE: How many months in the year would these ice-breakers be in operation?

Mr. CARDIN: They have been in operation since November last, up to the opening of navigation.

Mr. COOTE: The reason I ask that question is that I understood the minister to say that the fuel bill for one of the boats was

$50,000, and I was wondering if he would give the committee some explanation of the item, because I suppose the boat would only be in operation for a few months, and it seems to me that is a very excessive amount to pay for fuel.

Mr. CARDIN: The Lady Grey and the Montcalm are in operation the year round.

Mr. COOTE: This $50,000 was for the Mikula.

Mr. CARDIN: Yes, but this vessel is a very powerful boat and it requires a large amount of money to supply the coal for it. When the season of ice-breaking is closed, this boat is still kept under steam. It is used as a help to navigation when assistance is required in the case of wrecks or other emergencies.

Mr. COOTE: Would the minister tell us where the coal is bought, and what price per ton is paid for it?

Mr. CARDIN: It is bought in the city of Quebec, and the price is $6.90 per ton.

Mr. COOTE: Would that be Nova Scotia coal?

Mr. CARDIN: Yes, Nova Scotia coal.

Item agreed to.

Investigation into wrecks, $6,000.

Mr. BAXTER: Can the minister tell me in this connection if the board which occasionally meets and holds investigations into accidents has power to deal with a certificate of a master granted by the British Board of Trade? I know of one case where the board has professed to suspend such a certificate, and I was rather of the opinion that it was not within the competence of the board to make such a dismissal. I have not fully investigated the subject and would like to know the opinion of the department.

Mr. CARDIN: We have always exercised these powers and we were under the impression that we had the right to do so in so far as they relate to steamships navigated in Canadian waters.

Mr. BAXTER: I know the case I refer to, and I thought it was a very painful one. It occurred just outside St. John harbour. I may say that the ship, the master of which was suspended, was held responsible in damages in the Admiralty Court; so that the fault was imputed in law to that ship. At the same time it was a South American vessel, owned or operated on behalf of the government of Peru, if I am not mistaken. The captain was an Englishman and held a certificate of the British Board of Trade, and the circumstances were such that I did not think the decision was a correct one. However, that was in the judgment of the tribunal. But I doubt the legal power of a Canadian tribunal to deal with a certificate of the British Board of Trade. I assume it would be quite competent to pass the information to the British Board of Trade and request their action. In order to prevent any possible mistakes in the future, would the minister obtain the opinion of the Department of Justice, and have this tribunal instructed as to what their powers are in regard to such matters? I think that would avoid some misconception and perhaps some injustice.

Mr. CARDIN: This question has never been raised before, but I will be only too glad to follow the suggestion of the hon. member.

Item agreed to.

Navigation schools, $7,000.

Mr. BAXTER: These schools are being conducted in Canada now. Will the minister tell me how much is being paid in connection with each school?

Mr. CARDIN: We have seven schools; one at each of the following places, Halifax, Yarmouth, North Sydney, St. John, Quebec, Collingwood, Vancouver and Kingston.

Mr. BAXTER: What is the cost of each school?

Mr. CARDIN: The amounts paid are as follows:

Halifax	$1,860
Yarmouth	1,500
North Sydney	360
Kingston, grant to navigation school in Queen's University	500

In Collingwood Captain Coles is paid as examiner; he is not receiving any salary as teacher. The same applies to Vancouver. We have an equipment comprising stationery, charts, books, nautical instruments and so on, amounting to $620.

Mr. BAXTER: How many certificates have been granted at each of the schools in the past year?

Mr. CARDIN: There were granted at Halifax, 22; at Yarmouth, 3; at St. John, 30; at Quebec, 5; at Kingston, 9, or 69 in all. The attendance was 166.

Mr. DUFF: I want to make a plea for Captain O'Hara, the man in charge of the school at Halifax. While he does not live

in my constituency, my constituents go to him to study in preparation for their examinations. He is an old master mariner, who gives splendid satisfaction. He is a most capable teacher and he receives from the government a salary of only $155 per month. He gave up the sea four or five years ago. During the war he thought he could do something for his country by teaching young men navigation and since then he has been endeavouring to obtain an increase in salary. I can understand that the government is short of money, but I do think that a man like Captain O'Hara, who could earn anywhere from $200 to $300 a month at sea, deserves more than $155 a month at the hands of the government in his capacity as teacher of navigation. I would ask the minister to take his case into careful consideration with a view to increasing his salary.

Item agreed to.

To provide for the temporary relief of distressed seamen, $5,000.

Mr. JELLIFF: How much was spent last year for relief purposes and how many were relieved?

Mr. CARDIN: We paid out $336.

Mr. JELLIFF: That was out of the appropriation of $5,000 last year. What did you do with the balance?

Mr. CARDIN: It went back into the treasury.

Mr. JELLIFF: Do you need the same amount this year?

Mr. CARDIN: We never know how much will be needed because we do not know what number of seamen will be in distress.

Mr. JELLIFF: How many cases did you relieve?

Mr. CARDIN: I have not that information just now.

Mr. GOULD: Does this apply to the seamen on government boats alone?

Mr. CARDIN: It applies to all seamen.

Mr. GOULD: What is the nature of the temporary relief given, and who were the recipients of the $336?

Mr. CARDIN: We provide the means of enabling seamen who are in distress in foreign countries to return to Canada.

Mr. SPENCER: Does that apply to foreign seamen stranded in Canada?

Mr. CARDIN: No. Every country has its own arrangement.

Mr. BAXTER: I think that under the Merchant Shipping Act, wherever it is possible the money is recovered. There are cases however, where the vessel is lost and the owners cannot be got at, where seamen in distress would be in a pitiable condition if it were not for some fund of this kind.

Mr. SUTHERLAND: I notice in the Auditor General's report for the year ending March 31 that there was $2,302 for printing. What is the necessity for so much printing in connection with this item?

Mr. CARDIN: I do not know of any expenses that were incurred in connection with printing; probably there is an error somewhere.

Mr. SUTHERLAND: In the Auditor General's statement with regard to the temporary relief of distressed seamen there appears the sum of $2,988.35, and of this $2,302.51 was for public printing and stationery.

Mr. CARDIN: This money was used to provide seamen with what are known as continuous discharge books. Probably it should come under another item, but it is the explanation of the item which my hon. friend finds in the Auditor General's report.

Mr. SUTHERLAND: Does that appear from year to year?

Mr. CARDIN: These books can be used for a number of years.

Mr. BAXTER: Do I understand that several thousand dollars are used for the printing of forms in connection with the relief of distressed seamen?

Mr. CARDIN: No.

Mr. BAXTER: What are the forms that come under this item?

Mr. DUFF: Mr. Chairman, the books that the minister has referred to are supplied to sailors by shipping masters, and after the trip the master writes in the books that the seamen are properly discharged. I presume these books are used all over Canada, and perhaps if the department had several years' supply printed it would cost this amount of money. These books are a very necessary protection for our seamen.

Mr. BAXTER: There can be no question, Mr. Chairman, of the necessity of the books which the hon. member for Lunenburg speaks of. But those books have no connection with the temporary relief of distressed seamen.

Mr. DUFF: No, they do not come under that item.

Mr. BAXTER: At page O-26 of the Auditor General's report for 1923-24, under "Temporary relief of distressed seamen" I find the following item:

Public Printing and Stationery department, Ottawa: printing, $2,138.19; accounts under $100, miscellaneous, $164.32—total, $2,302.51.

I could understand the $164.32 being paid for these books, but what in the world $2,138.19 would be paid for printing in connection with the temporary relief of distressed seamen I cannot see. No doubt it would be quite proper to furnish the books my hon. friend speaks of, but they should be under some other heading in the accounts.

Mr. DUFF: That is quite right. The cost of these books has no connection at all with the moneys which are paid to distressed seamen. It is quite evident that they are placed in the wrong vote, or were paid for out of money remaining over from the vote.

Mr. BAXTER: I am not suggesting any special iniquity in connection with this, but, on the other hand, I do not think that the matter, though so small as a couple of thousand dollars, is entirely devoid of some seriousness. If a matter of this kind is not discovered in the routine of the Auditor General's department, and is only picked up by a member of the House looking over the report at night, it seems to me the appointment of a new Auditor General has not as yet set everything right in that department. I think the Minister of Marine and Fisheries is relieved of responsibility, but it passes over to the Acting Minister of Finance (Mr. Robb), and we may fairly request him to investigate the Auditor General's department to see why things should be in this condition. It is a very small item compared with the total payments by the Dominion, but one is led to suspect that a similar blunder may just as well occur in regard to the entering of a surplus in some of the other accounts.

Item agreed to.

Removal of obstructions in navigable waters, $5,000.

Mr. BAXTER: How much of this was spent for printing?

Mr. CARDIN: We spent $2,607 last year for the removal of wrecks.

Sir HENRY DRAYTON: Were those wrecks in salt water, fresh water or where? Were there any around Point Pelee?

[Mr. Baxter.]

Mr. CARDIN: There were eleven removals of obstructions from the New Brunswick and Nova Scotia coast, Charlottetown, the Richelieu river, Port Credit, and the west side of Amherst island, Ontario.

Mr. BOYS: Has the minister any record of money spent for the removal of a sunken vessel from the wharf at Big Bay point, lake Simcoe? I think I mentioned this two years ago. So far as I know the wreck is still there. If nothing has been done towards its removal, I would ask the minister to make a note of it. The wreck is certainly a menace to safety, and has been there for some time. I am not sure who the owner was. I think he was asked to attend to it, but did not. It seems to me to be the duty of the department to see that that vessel is removed.

Mr. CARDIN: I shall be only too glad to inquire into the matter and to act in accordance with my hon. friend's suggestion.

Mr. BAXTER: It will be seen from the Auditor General's report that $365.20 was paid for advertising in various papers, which would be quite correct, in connection with the removal of wrecks. But the Public Printing and Stationery department comes in for $238,29, with an additional amount for stationery of $167.86. There are not many wrecks to be removed, and I am not aware that it is necessary to fill in forms when a wreck has occurred. But there is something stranger still. There is an item which reads as follows:

Detailed nature: Construction of lights, $178.82; Maintenance of lights, New Brunswick, $100.42; Prince Edward Island, $212.13.

These amounts are not considerable in themselves, but we seem to have hit to-night upon a practice which is not to be commended, that is, the including under a particular vote of expenditures which do not properly belong to it. I do not suggest that there is anything wrong with the payments themselves, but there is something wrong with a system which permits construction of lights "and maintenance of lights" to be charged up to the removal of obstructions in navigable waters.

Mr. CARDIN: These lights are placed on the wrecks immediately after the wreck has occurred in order to protect navigators. In regard to printing, we have to supply forms in connection with claims, and so on, but these expenditures do not occur every year.

Mr. BAXTER: I do not think the minister can be fully satisfied with his own explanation. I am aware that it is necessary where practicable to indicate the position of a wreck

by attaching lights to it, but that is a very different thing from the construction of lights. This simply means that some bit of a lighthouse has been fixed up, or a wharf light or something of that kind, and because there was not enough money in the proper appropriation to pay for it, the expenditure is put under this head. I suggest that the minister, instead of trying to pass the matter by with an explanation that he himself must feel to be of doubtful quality, should rather admit that the thing is wrong and determine to give instructions to his department that expenditures shall be charged to the proper accounts.

Mr. DUFF: If my hon. friend is serious he must realize, coming from a maritime constituency, that it is necessary to do more than hang a lantern on a wreck. Somebody must be hired to look after the light, especially at night.

Mr. BAXTER: Can my hon. friend by any strategy make "construction of light" out of that?

Mr. DUFF: Precisely, you must construct something on the wreck, perhaps forty feet in the air, so that mariners coming along on other vessels will be able to see the light and keep clear of the wreck. The amount would cover, no doubt, the remuneration of the man who constructs the light as well as of the man who attends it continuously until the wreck is removed.

Mr. SUTHERLAND: Can the minister inform the committee whether there was any expense in connection with the removal of wrecks at Belle River last year?

Item agreed to.

Inspection of live stock shipments, $4,000.

Mr. BAXTER: In 1922-23 the vote for this purpose was $3,000; in 1923-24, $3,500; in 1924-25, $4,000, and this year it is the same. It is well understood that live stock shipping has considerably fallen off, so that there would hardly seem to be occasion for additional inspection. Will the minister give some details of this item, and also let us know whether printing, either by the Department of Public Printing and Stationery or outside of it, figures to any considerable extent?

Mr. CARDIN: We make no inspection of the animals themselves; we inspect only the fittings on the boats. In 1923-24, the shipments of live stock from Montreal were 29,963; in 1924-25, 44,174; from St. John, 1923-24, 6,521, and in 1924-25, 10,953.

Mr. BAXTER: How many inspectors are there, and what were they paid?

Mr. CARDIN: At Montreal, two: Mr. Delorme, $1,380; Mr. O'Grady, $1,380. At St. John, Mr. J. M. Martin, who is a steamboat inspector, received an additional amount of $300 for his inspection work. At Quebec, the work of inspection was done by the port warden who last year received $40 in fees.

Item agreed to.

To continue subsidies for wrecking plants—Quebec and British Columbia, $35,000.

Mr. BAXTER: Will the minister tell us what services were performed last year, giving us the names of the vessels that required assistance, and the amount that was paid?

Mr. CARDIN: The British Columbia company receives the sum of $10,000, and the Quebec plant $25,000. We have contracts with these companies. The Quebec plant gave its services to the following steamers: The British steamers Cornishman and Caledonian, Canadian passenger steamer Saguenay, Canadian Government Merchant Marine steamer Canadian Ranger, British steamers Linkmoor and Cairmona, Canadian passenger steamer Cape Diamond, British steamer Clearpool, Greek steamer Kate and British steamer Maresfield. The Pacific Salvage Company, Limited, was engaged in salvage operations with the following boats; Tatjona, Admiral Rodman, Admiral Peary, Rochelie, Lady Kindersley, Martha Hamsoth, Qualium, Arcata, Ravelli and Cascade.

Mr. DUFF: It is good value for the money.

Item agreed to.

Unforeseen expenses, $5,000.

Mr. SPENCER: What was the amount spent last year?

Mr. CARDIN: Up to the 1st of March last, $2,929.

Mr. BAXTER: How much of that was for printing?

Mr. CARDIN: The expenditure last year for printing the Canadian Port and Harbour Directory was $3,725.

Mr. BAXTER: I thought the total expenditure was given as $2,929. I would like the minister to investigate this branch of the vote. In the previous year out of a total expenditure of a little less than $5,000, $388.17 was spent for printing. This year nearly the whole of the unforeseen expenses were for printing. Now is it quite reasonable for any man to say that the printing of the department is an unforeseen expense? I have always thought that an unforeseen expense was

something that could not reasonably be apprehended or provided for, something that arose in the nature of an emergency.

Mr. ARCHAMBAULT: That is force majeure.

Mr. BAXTER: I do not want to have to think of the printing department in those terms. I thought it was a very substantial block of buildings, well equipped and ready for work, and not by any means unforeseen. Really we ought to have a little better way of dealing with the matter than this. I say again it is not a question of the misapplication of public money, but it certainly is a question of a misconception of the idea of a vote. The responsibility of parliament, and particularly of the minister, is behind the principle that money must be definitely spent for the purposes which parliament has sanctioned, and to call ordinary printing "unforeseen expenses" is really a misuse of the term. I have personally, if not politically, a very great deal of confidence in the minister, and I trust that he will devote his energies to reforming this abuse of the public accounts.

Mr. CARDIN: I am quite free to admit there is much to be said in favour of the contention of the hon. gentleman, but we are simply following certain practices which have been in vogue in the department for a long time, and we are not always in a position to make all the changes we want.

Mr. BAXTER: But we have a new Auditor General to start these reforms.

Mr. CARDIN: I can assure my hon. friend I will do the best I can.

Item agreed to.

Hydrographic and tidal and current surveys, and to provide for the maintenance and repair of hydrographic steamers, $340,000.

Mr. BOYS: What was expended last year?

Mr. CARDIN: Up to the 1st March we spent $238,685.34.

Mr. BOYS: How has that expenditure been distributed?

Mr. CARDIN: In view of the fact that our figures only cover the period up to the 1st March last I could not state what the actual amount under the different headings was. This vote covers salaries, stores, repairs to the boats that are used, and sundries. We operate several boats in this service.

Mr. HANSON: In what waters were these surveys carried on last year?

[Mr. Baxter.]

Mr. CARDIN: On the Pacific coast, on the Atlantic coast, and on the St. Lawrence.

Mr. HANSON: That is very general. I did not suppose you had gone to the Arctic although you may yet go. I should like to know what new waters were charted last year. Is it necessary that these surveys should be kept up year after year? Surely all the coasts of this country have been charted by this time?

Mr. CARDIN: On the Pacific coast the work of this branch of the survey was carried out with the Canadian government steamer, Lillooet, and the houseboat Somass, the Canadian government steamer Restless not being placed in commission.

The early part of the season was occupied in the sweeping of First narrows, Vancouver, after which surveys of the following ten bays, inlets, and harbours were completed:—San Mateo bay, Port Neville, Barnard harbour, Tucker bay, Surf inlet, Laredo channel, Caamano sound, Meyers passage, Cumshewa inlet and Porlier pass. In addition tidal observations were obtained at Porlier pass, Meyers passage and Sandspit, and current observations to determine slack water in Meyers passage were taken during ninety nine days.

On the Atlantic coast the Canadian government steamer Acadia not being placed in commission, the survey operations on the southeast coast of Nova Scotia were carried out with a shore-party. During the summer a survey of Lockeport harbour and approaches was completed, the latter part of the season being occupied in making a survey of Lunenburg harbour and approaches.

For the work of this branch of the survey on the lower St. Lawrence the steamer Cartier was again commissioned, and operations were continued eastward of the southwest part of Anticosti island and along the south shore of the north channel where navigation has much increased since lights were placed on the island. A camp-party carried out operations at Mingan islands from launches.

On the Magdalen islands, the steamer Bayfield not being in commission, the survey work commenced last season was continued with a shore-party. This consisted chiefly in sounding off the west coast of the island, the latter part of the season being occupied in the Restigouche with a view to completing a chart of the locality.

Mr. BAXTER: May I ask if the Cartier is employed in the winter season?

Mr. CARDIN: She is usually employed in the winter season.

Mr. BAXTER: The captain and crew are paid full time are they not?

Mr. CARDIN: The captain is, but the crew is not.

Sir HENRY DRAYTON: We have had a good deal of discussion on these surveys more than once, and there has been a pretty general expression of opinion that we ought to economize in connection with new survey work, except, of course, in places where it is absolutely necessary. This vote is not coming down at all. Apparently we are doing just as much new survey work in this connection as we ever did. Now suppose we set to work and practise economy in this respect, unless it would be too much to ask my hon. friends opposite to attempt to practise some of the principles they preach.

Some hon. MEMBERS: Oh, oh.

Sir HENRY DRAYTON: What is the trouble?

Mr. DUFF: Speak for yourself.

Sir HENRY DRAYTON: Hon. gentlemen do not seem to like the prescriptions which they give on the platform. Supposing we consider the government's statements seriously —and I suppose I am doing them too much honour in suggesting that—and try to make a reduction in some direction. We are keeping this vote up just as it was. This is a matter of new work and I submit that unless it is shown to be essential it should not go on. Just because this work has been going on all this time is no reason why it should continue. We have had nothing to show any special necessity here for continuing. Perhaps the minister could tell me, for example, how much was spent in 1920 on this work?

Mr. CARDIN: I could not say at present what amount was spent in 1920. If I remember rightly, however, we reduced this vote last year by a very substantial amount.

Sir HENRY DRAYTON: Then I am afraid these estimates are wrongly printed because they do not show any reduction. The item is exactly the same.

Mr. CARDIN: Last year we made a very substantial reduction as compared with the vote of the previous year.

Sir HENRY DRAYTON: What was it in 1920?

Mr. NEILL: The trouble with this vote is that it is not big enough. It is all very well for hon. gentlemen who have had their requirements attended to in the past to say that we ought to restrict the vote, but it is urgently needed and it should be bigger than it is, especially on the west coast of Vancouver Island and on the west coast of the mainland of British Columbia where there are large areas that are practically uncharted It may be said that Captain Vancouver did chart those waters in a rough way, but you can imagine the conditions at that time, and while the survey work carried out then was more or less accurate it was done on such a broad scale, so to speak, that it does not in the case of many bays or harbours show the obstructions in them, soundings only being taken at points far apart. And yet there may be to-day pinnacle rocks, and so on, that would be extremely destructive to shipping. I do not know whether the hon. member for York-Sunbury (Mr. Hanson) or the ex-Minister of Finance (Sir Henry Drayton) know it or not, but on the west coast of the Pacific, particularly on the west coast of Vancouver island, industries are developing very rapidly. Sawmills, canneries, salteries and so on are being established. I recall one instance where there was a dry salt herring saltery in operation and they chartered a foreign boat to come in and load there. When the captain came in and looked at this old chart prepared by Captain Vancouver he said "This is not good enough for me, I will not take the risk." So he moved his boat for some miles to where there was a charted harbour. The consequence was the whole cargo had to be lightered over to that harbour, which was a tremendous disadvantage for the owners, and resulted in an added cost of something like $2,000 on that one shipment alone. Another reason why the vote should be increased or at least not reduced—and I could multiply instances—they have this boat called the Lillooet, which is suitable to go out in comparatively rough water. A case may arise in a harbour where a smaller boat can accomplish the work efficiently, but they have no such boat in commission and this big boat has to be brought down at considerable expense and delay a long distance, when a small boat could have done it more cheaply, without interfering with what might be called the main work of the survey boat. I can assure members I am not speaking with any desire to spend money in the district because these men who are employed are departmental men, but it is very urgent and pressing that these waters should be charted when occasion requires. There are two places in my district at this moment urgently requiring the attention of the department, and when I go to the department and make the request, I am told the boat has sufficient

work ahead to keep it going for eighteen months.

Mr. McBRIDE: I fully agree with the remarks of my hon. friend from Comox-Alberni (Mr. Neill) and, speaking from practical experience, I know it is very essential to the welfare of the shipping on the Pacific coast to have this work carried on. Less than two years ago I was going up Jervis inlet. The boat was supposed to be running in thirty fathoms of water and all of a sudden it struck a rock. This place was not charted. When we came back the captain reported it and every chart issued since that time has this rock marked on it. These places must be charted if shipping is to be carried on. Of course it may be all right on the Atlantic, but the Pacific is a new place and they have not done enough of this government work.

Mr. BOYS: In 1923-1924 the item was $360,000, and in 1924-1925 it was reduced to $210,000, and it is increased this year and I suppose in connection with that increase some new work must be under contemplation. Could the minister indicate what the work that warrants that increase is?

Mr. CARDIN: I am informed that in the first instance we had the two items relating practically to the same thing. We had the tidal surveys under a separate item, and this year we have combined the two items under one heading.

Sir HENRY DRAYTON: Well, Mr. Chairman, it is very interesting to learn that there is some reason for the vote. The members from British Columbia give us at least some argument for voting away this money. I wonder if we could get a little bit further and obtain information as to what particular work will be done and where the places are. Perhaps the hon. members from British Columbia will be kind enough to give us the names of the places were they want this work done, what it will cost, and when it will be gone on with. We have a large vote. We have had some assistance given to the minister, and I would like to see that assistance put in such a way that it will mean something and that it will not be made simply an excuse for this vote passing. I have no doubt the hon. members are referring to something specific. I have no doubt they can give us the names of the harbours which require to be helped. I know the west coast pretty well, and I do know there is dangerous navigation on the west coast in lots of places, but I know that we do not want to have money spent on new surveys unless there is some real public necessity for it at these points.

Mr. NEILL: Two places urgently requiring charting at this moment are, a bay south of Reid island and another place on the west arm of Quatsino sound. That work was asked for at least eight months ago, but there is small prospect of getting it done in the immediate future. These are comparatively small items, but the whole west coast of Vancouver island requires charting or re-charting, because it was done in a very superficial way originally; the charting cannot be trusted, and the insurance companies will not permit the boats to go up there. This west coast is growing, new settlements are springing up and they urgently require reliable charts for those waters. This boat, the Lillooet, is carrying on some extensive work in connection with the Queen Charlotte islands in Skeena district, and I am told it is the policy of the department, when they finish that work, which they expect to do in eighteen months, to start work on the west coast of Vancouver island which has been asked for by the Vancouver Chamber of Commerce and Victoria Board of Trade and various other public bodies. The work mentioned by the hon. member for Cariboo, Jervis inlet, is also in my district, and I am familiar with the necessity for the work done there. There was some work done last year in Tucker bay. A passenger steamer went in there last year, struck a rock and suffered to the extent of £20,000 or £30,000 damage, and refused to go in there again till the bay was charted. There is a considerable population on that island, and communication to the mainland was entirely cut off until the bay was charted again by the Lillooet.

Mr. BOYS: I take it for granted that the work contemplated by the vote is all itemized, and I presume the minister can tell us exactly where it is to be performed. No doubt what has just been said is correct, but possibly the places which have been mentioned are not included in the estimates this year.

Mr. CARDIN: In regard to the Pacific coast work, the steamer Lillooet will continue operations off the British Columbia coast, but whether it will be in continuation of last season's operations has not been decided, I am informed.

Mr. BOYS: At what estimated cost will that work be performed?

Mr. CARDIN: The cost will be $103,000. The steamer Restless will not be used as a survey boat, but her survey party will operate

from the shore in sheltered localities, surveying some of the many harbours that require to be charted.

Mr. BOYS: Is that on the Pacific coast?

Mr. CARDIN: Yes. On the Atlantic coast the steamer Acadia will not be used as a survey boat but her survey party will continue to operate from the shore on the southeast coast of Nova Scotia. On the gulf of St. Lawrence the steamer Bayfield will continue out of commission, and her party will operate from the shore in and around Magdalen islands.

Mr. BOYS: Will the minister give the estimated cost of the work?

Mr. CARDIN: In regard to the work on the Atlantic coast, the estimated cost is $28,000 and in the gulf of St. Lawrence, $28,500. In the lower St. Lawrence the steamer Cartier with the aid of an auxiliary shore party will continue her survey work north of Anticosti island and off Gaspe coast, at an approximate cost of $80,000. In reference to the automatic gauges their operation will be continued as heretofore; as to engraving, printing, and so forth, the work of the division will be continued, but on a somewhat enlarged scale necessitated by the increased work. That is the total work proposed to be performed.

Mr. BOYS: I am not sufficiently familiar with this work to know whether or not any of the items the minister referred to would properly come under the heading of Tidal and Current Surveys. I understood the minister to say these two items were combined in the estimates this year, although separated last year.

Mr. CARDIN: What I have enumerated makes a total of $310,000 for the hydrographic survey.

Mr. BOYS: The minister means all combined?

Mr. CARDIN: Yes, the total service.

Mr. HANSON: With reference to the surveys at Lunenburg and Lockeport; how long since the ports on the south shore of Nova Scotia were charted previously? That is an old settled part of the country and I have no doubt that the harbour has been charted on more than one occasion, and very well charted. What is the necessity of a resurvey of these two particular harbours?

Mr. CARDIN: The surveys were made a long time ago in these harbours and it has been found that they were not altogether reliable, several complaints having been received.

Mr. HANSON: The minister cannot tell us when the surveys were made. Were they made because there is so much dredging done all the time to make a harbour out of it? Surely with the number of ships sailing in and out of Lunenburg, the harbour must have been well charted. The answer given by the minister is not convincing.

Mr. DUFF: The money spent in this connection was paid to people from Ottawa; it did not go to anyone in Lunenburg. My hon. friend need not worry that any of my friends are on the job, if that is what is bothering him. If he has read anything about marine matters—because he has no practical experience—he will have found that it is necessary to re-survey harbours every four or five years, for the reason that with the currents moving continually the bottom of the harbour shifts.

Mr. HANSON: And dredging.

Mr. DUFF: Yes, Courtenay bay, for instance. If my hon. friend will read enough on the subject he will find that in the Old Country they spend millions of dollars in surveying around the coast, and this must be done practically every year.

Mr. HANSON: The hon. gentleman is unduly sensitive; I was not suggesting anything

Mr. DUFF: I am not sensitive.

Mr. HANSON: Usually he does not claim any credit for being over-sensitive. I was not making any reference to money spent in his constituency in particular. I did ask for certain information from the minister which I have failed to get so far. If the minister can tell us when the last survey of Lunenburg harbour was made we shall be able to see whether another survey is needed.

Mr. DUFF: You must think the minister is an old man.

Mr. HANSON: If the hon. member will give the minister time to collect himself we shall no doubt get the information.

Mr. CARDIN: These charts are very old. In 1882 an agitation developed for a proper survey of the Canadian shores of the Great Lakes and for an up-to-date chart to replace the one then in use, which had been in existence for some fifty years. I suppose the same thing is largely true of the Maritime provinces. However, I regret that I have no specific information regarding this particular harbour, although, from the information we have, I

think the survey must have been made fifty years or so ago.

Mr. DUFF: I have lived there a very long time and this is the first survey I remember anything about.

Mr. CARDIN: To complete the answer to my hon. friend (Mr. Boys) I shall read the following statement in regard to tidal and current surveys:

The functions of the tidal and current survey is to investigate and determine ocean currents, to record changes and fluctuations in volocity, brought into relation with the tides: the observation of tides, to determine the rise and fall and the exact time thereof; the correlation of tidal streams with the time of the tide, for the determination of slack waters, of mean sea level, of low water datum, of tide levels, and of high water levels. Like the hydrographic survey, this is a distinctly marine service. Its particular function is to insure, as far as possible, the safety of navigation, and in this respect is inseperably connected with other marine activities. Also, like the hydrographic survey, and for the same reasons, its importance can hardly be overestimated.

We propose to spend $30,000 in the surveys.

Mr. BOYS: That information is instructive but it is not quite what I wanted to know. I understood from the minister that the two items were consolidated and that there was a saving in consequence. If I rightly apprehend the information given, the minister expects to spend $330,000 of the $340,000 of item 217, and he has intimated that he expects to spend about $30,000 in connection with tidal and current surveys. If that is so, and this is to be added to the consolidation, there would be a total of $360,000 instead of $340,000.

Mr. CARDIN: No; the amount to be spent in regard to hydrographic surveys is $310,000.

Mr. BOYS: I thought the minister in giving the list a moment ago concluded with the statement that the total was to be $330,000 apart from $30,000.

Mr. CARDIN: No, $310,000. In this connection I desire to state that our department has suffered quite a serious loss lately through the death of Mr. W. J. Stewart, whose funeral took place this afternoon. Mr. Stewart was in charge of this very important branch of the service. He was a man of high qualifications who devoted himself entirely to the service of the country, and I think that his memory deserves some consideration on our part. I think it only proper that I should take this opportunity to extend to his widow and family my most heartfelt condolence. I feel that the department, through his death, has lost one of its best officials; indeed, not only the department but the entire service of Canada will suffer, for he was a man whose efficient services it will be difficult to replace.

Item agreed to.

Radio service, and to provide for the construction and maintenance of wireless stations and the general administration of radio throughout the Dominion, $500,000.

Mr. BOYS: I observe that last year there was an increase of $67,510. Does the minister think that the whole of the present vote is warranted?

Mr. CARDIN: This vote is a very large one, but we must remember that the service is of considerable importance and is developing every day. The radio is becoming more and more essential, particularly in connection with navigation. We spent, up to March 1st past, $347,044. We have a certain amount with which we are going to pay expenses that have been incurred up to the present time. Perhaps it would be well to state in a few words what we propose to do. This proposed appropriation is to provide for the maintenance and repair, throughout the year, of fifty-two government radio-telegraph stations, direction finding stations, and radio beacon stations on the east coast, Great Lakes and Pacific coast of the Dominion, and for the general administration of radio telegraphy, including the licensing and inspection of ship stations, private and commercial land stations, receiving stations, radiotelephone broadcasting stations, the administration of broadcasting and the examination of commercial operators for radio certificates. It also provides for the construction and for the maintenance after construction of three additional stations. The discoveries in radio are very frequent, and we have to follow the progress in order to have the system up to date, and so benefit by these discoveries.

Mr. BOYS: I understand the money is for stations now existing, with the exception of three; if that be so, will the minister say where the three new stations are to be located?

Mr. STORK: While that information is being looked up, Mr. Chairman, I have something to bring to the minister's attention. I trust that a portion of the $500,000 will be used in the construction of a wireless station at Stewart, at the end of the Portland canal. On various occasions I have received most insistent demands from the locality for a wireless service, which demands I endorse with all the energy I possess, for this reason: at the present time Stewart is served by land

wire, and, due to the excessive snowfalls, amounting at times to eighteen and twenty feet, that wire is down sometimes for weeks at a stretch. The Portland district is one of the greatest mining districts in all British Columbia, many valuable and important mines being in operation in the locality, and when the land wire is down the people are compelled to go over to Hyder, an Alaskan town near the international boundary, close to Stewart, and utilize the wireless from there to Seattle. They feel they are entitled to a much better service than they are now getting. I trust therefore that some provision will be made for the installation of an up to date wireless station, and I hope the minister will give the matter consideration in connection with this item.

Mr. CARDIN: Replying to my hon. friend from South Simcoe (Mr. Boys) the new stations will be at Vancouver, Belle Isle and Mary island in British Columbia.

Mr. BOYS: I was correct in my assumption that the other expenditure was for existing stations, and that only three new stations are to be constructed?

Mr. CARDIN: Yes.

Mr. HANSON: How many stations are there on the Atlantic coast, and where are they located?

Mr. CARDIN: We have fifty-one stations, twenty-eight on the east coast, fourteen on the west coast, eight on the Great Lakes and one at Hudson bay.

Mr. HANSON: Does the government own the wireless station at Newcastle, New Brunswick?

Mr. CARDIN: No.

Sir HENRY DRAYTON: Mr. Chairman, we had a discussion, I forget whether it was last session or the session before, as to the advisability of substituting a radio service for some more of the overland telegraph lines that were very expensive to maintain and bringing in no revenue at all. Is that being gone on with at all in connection with this vote, or is it in some other department?

Mr. CARDIN: It is in the Interior department.

Sir HENRY DRAYTON: Perhaps my hon. friend can tell me whether the Interior department has a radio service of its own?

Mr. CARDIN: These stations are operated by the Interior department and the Department of National Defence. There are three of them.

Sir HENRY DRAYTON: Is that to take the place of the former land line, or is it a new venture?

Mr. CARDIN: I do not know.

Sir HENRY DRAYTON: Perhaps it is not fair to ask my hon. friend that. Has the minister thought at all about the consolidation of wireless and radio? We now have services of this kind under the Interior department, Naval Service, Defence, and Railways.

Mr. GRAHAM: You cannot consolidate those.

Sir HENRY DRAYTON: The railways? Well, the others are on a commercial basis, but as the railway radio is almost entirely for ornamental or amusement purposes, with sometimes a little bit of glorification or advertising thrown in, perhaps it would not be fair to suggest that this radio be tied up with the others.

An hon. MEMBER: Clever.

Sir HENRY DRAYTON: Well, my hon. friend is an excellent judge; let him assist me now in seeing whether we cannot save a little money. The Minister of Railways wants the railway end of it kept out. All right; but why could not the other radio services be run together?

Mr. ARCHAMBAULT: How could they be run together?

Sir HENRY DRAYTON: I suppose they could run together just as well as telegraph companies, the consolidation of which we have found to be a good thing. Perhaps my hon. friend thinks they should be still further split up. I understand that these stations now under discussion take commercial messages as well as carry on the work of the department; why could they not look after the business of the other departments as well? Why could we not have less overhead and less cost by having the one set of activities?

Mr. GRAHAM: The Radio department proper was detached from the Department of National Defence two years ago and handed to the Marine department, with the exception of what was required for the purposes of defence, or, perhaps I should say, the purposes of training, particularly in connection with the air service.

Sir HENRY DRAYTON: For the purpose, really, of teaching radio, I suppose.

Mr. GRAHAM: I would not go so far as to say that. It has to do not only with the training of the men in flying, but with

the work of protecting the forests, and so on. We discussed the matter quite fully when we were handling the Radio branch over to the Marine department and it was thought by the officials that that part of it should be retained for that purpose by the Department of Defence.

Sir EUGENE FISET: I may add that these instruments used by the Defence department are portable instruments; they are small, compact sets used for training purposes.

Sir HENRY DRAYTON: I understood from what the minister said that we had three regular stations.

Mr. GRAHAM: The Interior department engaged the radio experts of the Defence department to establish these stations, there having been some question as to who should do it.

Sir HENRY DRAYTON: Then it comes down to this: The Defence department have portable instruments of their own, which would not come under this head at all; and then in addition to the stations we have under this vote, we also have three regular stations which the Defence department have erected for the Department of the Interior. Now, if that is the case, we might have all these stationary things under the one management.

Mr. GRAHAM: I am not arguing that; I was simply making an explanation in the absence of the Minister of Defence.

Sir HENRY DRAYTON: I quite appreciate my hon. friend's point in that respect.

Mr. ROSS (Kingston): I would like to lend my support to the petition of the town of Stewart for some wireless connection. This is a very nice little town away up on the Portland canal, but it is entirely cut off from the rest of the Dominion, being connected only by telegraph line. But the trouble is that the telegraph operators quit work at five or six o'clock and then they have no connection with the outside world, but must depend upon the radio or wireless from Hyder. Close to the town of Stewart there is the big mine known as the Premier, the biggest mine in the world, I believe. These people think it would only be a very little thing for the government to give them connection by wireless, and when I was there this summer they begged me to say a word in their behalf. It is a pitiful position to be in, to have your postal service cut off during a great part of the year, and with only limited telegraph facilities, depending largely on a neighbouring city for outside communication. While I was there I saw message after message brought over from Hyder to Stewart. I do not think they should have to depend on that kind of service. I am sure it is no exaggeration to say that that area will, within a few years, be inhabited by millions of people, and I think the least we can do is to give them a wireless service. Canada is getting all the benefit from that area. The Premier mine has turned out about $7,000,000 in dividends in three years, yet Canada is not even building a road to that area. All the road building has been done by the United States, which has not derived one cent of benefit so far, but which is hoping, of course, to get a share in the future. I would urge upon the minister the necessity of doing something for this area.

Mr. GRAHAM: Perhaps I may be allowed to offer an explanation of the situation, as I discussed it several times with those interested. The Public Works department has the land line, and it is not generally considered satisfactory. Requests have been made for an exchange of the land line for wireless. I may say that the Public Works department and the Marine department are now considering the advisability of making that change, and it is hoped they will be able to come to some arrangement.

Mr. ROSS (Kingston): If the minister will allow me a suggestion, I would not advise the cutting off of the land line because in the mountain area the wireless may fail at some time. I would think you would require the two of them, and I think that your returns in a very few years, in the next ten years say, will justify anything we can do. The land line fails quite often, and the wireless on account of some effect the mountains have would not always be 100 per cent efficient, so I would advise retaining both.

Mr. GRAHAM: That is worth while considering in the negotiations.

Mr. COOTE: I would like to ask the minister a question or two as to the supervision which the department exercises over wireless broadcasting stations. Does the department supervise the broadcasting stations, fix the wave lengths which the stations shall use, and also control the number of nights per week on which any station shall broadcast in order to see that there shall not be too much interference? I confess I know very little about radio myself, but I have had complaints made to me by quite a number of people in the city of Ottawa who have receiving sets, and who say there is no proper control being exercised over the broadcasting stations in Ottawa particularly, and I suppose possibly

conditions here are the same as in any other city. The people seem to feel that each broadcasting station should be restricted to certain nights, and that the department should exercise a little more control over these stations to see that the wave length of one station does not conflict with that of another. Even on very good sets, on four-tube sets, it is impossible almost to receive the programmes from the big broadcasting stations in the United States and other parts of Canada when CNRO is broadcasting, because it practically shuts these programmes out. There seems to be an impression, whether it is correct or not, that the wave lengths or the power which is being used here at Ottawa is not regulated properly, and that there is too much interference with outside stations. I wish the minister would tell us in a few words just what control his department exercises over these broadcasting stations.

Mr. CARDIN: We are exercising all the supervision we can, so far as means for supervision have been discovered. In Ottawa we have only one station broadcasting at any one time. We license each broadcasting station, and we state in the license the day and hour when that station can broadcast. Unfortunately we have to admit that it is absolutely impossible to control all the interference. Radio is a new invention, and certainly it has not reached perfection yet, but science is applying itself to radio problems, and in the meantime we are doing everything we can to prevent interference. In Ottawa, I might say that we have no dual broadcasting at all, there being only one station broadcasting at any one time.

Mr. COOTE: Could the minister tell us what nights the CNRO is allowed to broadcast, and whether there are any nights in the week in which some Ottawa station is not allowed to broadcast?

Mr. CARDIN: CNRO is allowed to broadcast any night, except Sunday and Friday.

Mr. COOTE: Are any of the other stations in Ottawa allowed to broadcast on Sunday and Friday?

Mr. CARDIN: Yes.

Mr. COOTE: Then every night in the week may be taken up by a local station?

Mr. CARDIN: Yes.

Mr. COOTE: If that is done, a person even with a four-tube set would not be able to get any station outside of Ottawa.

Mr. CARDIN: It depends on how near he is to the local station. If he is very near, he cannot get an outside station, but if he is far enough away, he can.

Mr. COOTE: I would like to suggest to the minister, and I think I am only voicing the opinion which has been expressed in many letters which have been written by local radio fans to the newspapers, that at least one night a week the local stations might be asked not to broadcast. There are sometimes some very excellent programmes put on by outside stations which Ottawa people would like to hear, but it would seem that if the local stations wish to take advantage of the privileges they have from the department it will be impossible for the local fans to hear any outside stations unless they have a very expensive set. I would ask the minister to look into this matter. I think he would be meeting the wishes of the majority of the people in Ottawa who have receiving sets if one or two nights a week were kept free so that they could hear outside stations. I would like the minister's opinion on that.

Mr. CARDIN: I am free to say that the suggestion of the hon. member is worth considering, and I have no objection at all to looking into it. We are doing the best we can, but if Monday evening, say, could be set aside so that the radio fans in Ottawa could hear outside stations, there would no doubt be a certain number of people who would prefer Tuesday or some other evening in the week when they could hear a different programme, and it might be difficult to meet the wishes of the public in regard to that. But the suggestion is worth considering.

Mr. COOTE: I admit that, but I would like to impress on the minister that he should arrange for at least, one, and I would think preferably two nights a week on which the local stations would not broadcast.

Can the minister tell us whether it is necessary for the owner of a receiving set to have a license, and if he does not take out a license, is he subject to any penalty? Also how many radio licenses have been issued for receiving sets?

Mr. CARDIN: It is necessary for every owner of a receiving set to take out a license. If he fails to do so, his set can be confiscated and he is liable also to a penalty. We have already taken proceedings against certain individuals refusing to take out a license. Altogether 98,000 licenses have been issued.

Mr. ARCHAMBAULT: Does the hon. member wish to have the names?

Mr. COOTE: No, Mr. Chairman, I do not wish to have the names, but I would like to

ask the minister if he has taken any steps to inform the public that they must take out a license, because some people have told me that they did not know such a license was required.

Mr. CARDIN: We have advertisements in the newspapers and there are notices in all the post offices. We also broadcast the information.

Mr. JELLIFF: What revenue do you get out of it?

Mr. CARDIN: We received from all sources last year the sum of $147,000.

Mr. BAXTER: If I may make a suggestion it seems to me that this regulation business is running just a little bit too far. I have always had the idea that it was well to leave people uncontrolled and uninterfered with by legislation so far as it is possible to do so. In other words to leave something to the free agency of human beings. Now, the ground is being trenched upon daily and almost hourly by legislation.

Mr. GRAHAM: The air too.

Mr. BAXTER: Now with regard to the licensing of mere receiving sets what possible excuse can there be for it except the building up of some more bureaucratic organizations. I grant you that in war-time a receiving set may be a cause of mischief to the country. But in war-time the superior authority steps in and you can then license, you can then control—you can destroy if necessary. But in peace time why torment the ordinary citizen who has a radio set? I would not have one within a mile of the house if I could keep it away; but why torment the ordinary citizen, and compel him to go to some official and get a slip of paper and pay some kind of a fee?

Mr. ARCHAMBAULT: They are not paying any license fee now.

Mr. BAXTER: Do they not have to pay any?

Mr. ARCHAMBAULT: Not at the present moment.

Mr. BAXTER: But they have got to get a license.

Mr. ARCHAMBAULT: We are receiving something from the air.

Mr. BAXTER: I would like to find out what is back of this. What is the idea of requiring the public to do anything of the kind? I would also plead—I hear some hon. members around me talking about that aspect—for a little free use of free air in this country. If you cannot keep the Canadian National out of people's ears I am afraid the Minister of Railways has entirely lost his grip over that institution. Peaceful citizens are complaining that they cannot hear something they want to hear because there is this rather expensive thing that nobody in Canada wants outside of the railway management forced into their ears. I would suggest that the Minister of Railways might take a grip of the matter, if it has not got beyond him, and give some sort of peace on all the nights in the week to the people of Canada. Let those broadcast who want to broadcast, but let the country keep out of this broadcasting business—it is only a waste after all. We are talking about the cutting down of duplication. That is a thing I have advocated since almost the first day I entered the House; but it is no use talking about cutting down the duplication of trains if we are going to have money squandered in something that does not attract any passengers, that is absolutely unnecessary, and that is not carried on by railways that have had a great deal more experience in management than have the board of the Canadian National Railways.

[Mr. Coote.]

Item agreed to.

River St. Lawrence ship channel—maintenance and operating dredging fleet $1,663,000.

Mr. MEIGHEN: We are not going to sit any more to-night.

Mr. GRAHAM: That is you would rather not.

Item stands.

Progress reported.

On motion of Mr. Graham the House adjourned at 11.48 p.m.

Friday, May 8, 1925

The House met at three o'clock.

REPORT

Fourth report of the select standing committee on Miscellaneous Private Bills.—Hon. Mr. McGiverin.

PRIVATE BILLS

FIRST READINGS

Bill No. 78, from the Senate, for the relief of Vera Thelma Gooderham.—Mr. Ryckman.

Bill No. 98, from the Senate, for the relief of Jacob Edward Thuna.—Mr. Garland (Carleton).

Bill No. 99, from the Senate, for the relief of William John Fuller.—Mr. Duff.

Bill No. 100, from the Senate, for the relief of Alfred Augustus Jacques.—Mr. Duff.

Bill No. 101, from the Senate, for the relief of Paul Zizis.—Mr. Hocken.

Bill No. 102, from the Senate, for the relief of Annie May Blunt.—Mr. Hocken.

Bill No. 103, from the Senate, for the relief of Grace Harrington Bloom.—Mr. Hocken.

Bill No. 104, from the Senate, for the relief of Ian Somerled Macdonald.—Mr. Garland (Carleton).

Bill No. 105, from the Senate, for the relief of Arthur Beldon Morrison.—Mr. Church.

Bill No. 106, from the Senate, for the relief of George Edward Sharp.—Mr. Arthurs.

Bill No. 107, from the Senate, for the relief of Marjorie Morton.—Mr. Arthurs.

Bill No. 108, from the Senate, for the relief of William Ernest Hampson.—Mr. Arthurs.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, in view of the reports that the situation in Cape Breton is becoming more acute, is it possible that the government will reconsider its position and interfere on behalf of the people there?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am afraid I cannot do more than say to my hon. friend that the government's position remains just what it has been from the start.

HOME BANK

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): I would like to ask the government a question at the request of the Toronto civic authorities, namely, is the government in a position to announce to the House when the legislation on behalf of the Home Bank depositors will be brought down?

Mr. MACKENZIE KING: I cannot tell my hon. friend exactly. It will be brought down shortly.

PUBLIC SERVICE REARRANGEMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the third reading of Bill No. 43, to amend the act to authorize rearrangements and transfers of duties in the public service.

Motion agreed to and bill read the third time and passed.

DAIRY INDUSTRY ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

Resolved, That it is expedient to amend The Dairy Industry Act, chapter 7 of the statutes of 1914, for the following purposes:—

(a) to make further provision for definitions of Dominion Analyst, illegal dairy product, oleomargarine, package and renovated butter;

(b) to prevent the use of oil as an adulterant in butter, and to prohibit the keeping of foreign fats that might be used for adulterating purposes on the premises of any person engaged in the manufacture or manipulation of butter;

(c) to avoid the necessity of proving that foreign fats have been added to skimmed milk in cases of infraction;

(d) to provide heavier penalties for violation of the act;

(e) to authorize an inspector in addition to obtaining access to premises, to take samples, seize and remove illegal dairy products;

(f) to empower the Governor in Council to make regulations respecting the seizure and confiscation of materials and packages used illegally, and to control the size and dimensions of cheese hoops and cheese and butter boxes; and

(g) to permit of the registered number of any package being accepted as prima facie evidence of the identity of the manufacturer, and that costs of analysis shall, upon conviction, be included in the costs of prosecution.

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

Mr. MOTHERWELL: I think it will expedite matters if we take up the different subdivisions of the resolution one at a time. First, with regard to paragraph (a): Under the old act we have found it very difficult to get convictions without certain proper definitions. Take for instance, "Dominion analyst"; we have a number of analysts who receive salaries and some who, although duly authorized to act, do not receive salaries, and the ground has been taken that the definition "Dominion analyst" refers only to those who receive salaries. A proper interpretation is necessary. Then, "oleomargarine" has no definition at all. It is necessary to have a definition, because oleo oil is an adulterant and it is a constituent material in the manufacture of oleomargarine.

Mr. MEIGHEN: Is there not a law now forbidding the manufacture and importation of oleomargarine?

Mr. MOTHERWELL: Yes.

Mr. MEIGHEN: Does that law not define what oleomargarine is?

Mr. MOTHERWELL: No; I have looked over it and I find no definition.

Mr. MEIGHEN: It is a remarkable thing.

Mr. MOTHERWELL: It is not in the interpretation clause. Therefore the matter is very indefinite. Then, the term "renovated butter" is another that needs clearer definition, so that we may be able more readily to get convictions in cases of prosecution. "Package" is also defined here. In fact, this paragraph of the resolution deals entirely with the matter of interpretation.

Mr. MEIGHEN: The minister has had renovated butter bills before this House every few months since he has been in that office. Has "renovated butter" never been defined before?

Mr. MOTHERWELL: Yes, but the definition is not sufficiently clear. I think my right hon. friend mistakes years for months, because it is just two years since we had renovated butter legislation. This resolution has been on the order paper for nearly two months; perhaps that is what my right hon. friend means.

Mr. MEIGHEN: Last year was hen year, was it not?

Mr. MOTHERWELL: Well, hens are very important.

Mr. STEWART (Leeds): Can the minister give any information with regard to question 1 on the order paper, which relates to this subject? Is he aware that large quantities of New Zealand cheese are being used in the manufacture of Canadian loaf cheese?

The CHAIRMAN: That is not relevant to this resolution.

Mr. STEWART (Leeds): I submit that when we are dealing with the dairy industry it is not inappropriate to ask the minister if he has any information to give on this subject.

The CHAIRMAN: It is not the subject of this resolution, and it is not relevant.

Mr. STEWART (Leeds): It is a public matter we are dealing with.

The CHAIRMAN: I do not intend to argue it, but I rule that it is not relevant.

Mr. KENNEDY (Glengarry): May we have an explanation of paragraph (c) of the resolution?

Mr. MOTHERWELL: That is not contained in the bill which will follow the resolution if adopted; I do not know how the draftsman got it in. When we come to paragraph (c) I will ask that it be eliminated from the resolution.

The CHAIRMAN: Is it the pleasure of the committee that this resolution be considered paragraph by paragraph? Shall paragraph (a) carry?

Mr. SUTHERLAND: What does "illegal dairy product" cover? I think it should certainly cover cheese which is being ground up and mixed with other ingredients.

Mr. MOTHERWELL: In the bill, which I have before me, the definition is this:

> Illegal dairy product means any dairy product which does not conform to the definition and standard provided by this act and regulations made thereunder, or is contained in a package which contravenes the same.

There is some anxiety about that point, and the reason the question has not been answered is that it concerns several departments, and some of them have not got the answer ready yet. It does include Australian cheese.

Mr. GOULD: I would like to ask the minister if that refers to the article known as kraft cheese.

Mr. MOTHERWELL: Yes, but the chairman has ruled that part of the discussion out.

Paragraph (a) agreed to.

Paragraph (b) agreed to.

On paragraph (c):

Mr. MOTHERWELL: This should not be there. I move that it be struck out.

Motion agreed to.

The CHAIRMAN: This will mean the relettering of the succeeding paragraphs.

On paragraph (d):

Mr. SUTHERLAND: What are the penalties under the act at the present time?

Mr. MOTHERWELL: They run from about fifty to one hundred dollars. We are going to make them pretty stiff. I do not know whether the House will agree with that or not when we come to discuss the penalties in the agricultural committee, but we have found that offenders under this act have found it pays them better to pay the fine and keep on with their adulteration practices. This must stop, and so the fine is being made sufficient to interest the offenders and prevent them from continuing their violations of the law. Some of them run as high as $500, and for a second or third offence, I forget which, a term in gaol. Generally we find the present fines entirely inadequate to

prevent a repetition of the offence, and if we are to maintain the quality particularly of our cheese, and improve the quality of our butter, we must have these offenders so exercised over the consequences of their violations that they will desist from their practices of adulteration.

Mr. SPENCE: What percentage of the people engaged in this work are violating the law? It seems to me the penalties are very heavy now.

Mr. MOTHERWELL: There are not very many, and rarely is it the creamery that offends. It is usually the middleman. Occasionally a creamery or cheese factory offends, but not very often.

Mr. SUTHERLAND: Has the department found that some of these offenders have been repeating their offences after having been fined?

Mr. MOTHERWELL: Yes.

Mr. SUTHERLAND: That is a common practice?

Mr. MOTHERWELL: I am afraid it is too common. The present penalties are not sufficient to deter them.

Mr. SPENCE: I would like to know what is the minister's definition of a middleman in this case.

Mr. MOTHERWELL: Well, the man who is neither the producer nor the consumer.

Paragraph (d) agreed to.

Paragraphs (e) (f) and (g) agreed to.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 109 to amend the Dairy Industry Act, 1914.

Mr. SUTHERLAND: Is it the minister's intention to refer this bill to the committee on Agriculture?

Mr. MOTHERWELL: Yes, as soon as the bill receives its second reading.

Motion agreed to and bill read the first and second times times and referred to the committee on Agriculture.

Mr. MEIGHEN: The minister intends to have the bill come before the committee of the Whole?

Mr. MOTHERWELL: Oh, yes.

ST. JOHN AND QUEBEC RAILWAY

CENTREVILLE-ANDOVER BRANCH

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to extend the time within which the Saint John and Quebec Railway Company is to complete the construction and equipment of its line of railway from a point at or near Centreville, in the county of Carleton, to a point at or near Andover, in the County of Victoria, to the thirty-first day of December, 1927, both with respect to the agreement entered into under the authority of section three of The Saint John and Quebec Railway Act, 1916, and also with respect to the subsidy agreement made under the authority of section six of the said Act: Provided that the said extension shall only be granted with respect to the first named agreement after the consent of His Majesty on behalf of the Province of New Brunswick has been obtained.

Mr. BAXTER: I would like to ask—

Mr. SPEAKER: This motion is not debatable. We will go into committee at once, and the hon. gentleman can then put his question.

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

Mr. BAXTER: I would like to ask whether this is simply a formal extenson to take advantage of some happier financial times, or whether it is the intention of both governments that the work shall be proceeded with. Railway matters are being discussed between them so frequently that it would be indeed very desirable if any policy could be enunciated by which this road would be carried to its originally intended termini, and if arrangements could also be made with the Canadian Pacific by which their line now running through the state of Maine could be diverted, so that all the traffic upon the western side of New Brunswick, as well as the traffic of the Canadian Pacific might be carried by joint operation of this line with its better construction and better grades. So much of this line as has been constructed has been built to conform to the National Transcontinental grade. I do not intend to take up much time in discussing the unfortunate history of the road, the completion of which was prevented by the advent of the war, nor the unfortunate lack of earning power, because the road is not complete, which results every four years in an addition of $1,000,000 to the bonded debt of the little province of New Brunswick. The average deficit is about $250,000 a year. The province is not able to sustain that deficit out of income, and therefore each year it capitalizes it, involving a further heavy obligation; and I am stating the

matter fairly when I say that every four years there is, in round numbers, an addition of $1,000,000 to our bonded debt. I believe that that burden could be lifted from the province if by the joint operation of the Dominion and the local governments this road were carried to completion. It would be a much more vital and intensely more useful part of the government system than the National Transcontinental which was cut "slash-ways" through the province of New Brunswick and is, taking it at the present time, almost idle—in fact, it is scarcely operating at all. This road will run through a splendid country, will serve a number of thriving communities, and I believe it would be a very good opportunity for the minister to demonstrate the principle of joint operation and thereby reduce the expenses of both the great railway systems.

I should like the minister when answering to kindly give me information as to whether there is anything real in the sugestions we have had in New Brunswick that the Canadian National system is about to take over the St. John Valley railway. A return was asked for in this House and it was filed some time ago, but with the exception of the correspondence that took place between the governments about the time of the construction of that railway, and a later memorandum which places the views of the province very clearly indeed—having been sent forward by Premier Foster shortly after his accession to office about eight years ago—there is nothing on file. Statements have been made by public men in New Brunswick that this is a matter for oral negotiation. Now, we in New Brunswick would like to know just what has been said on the subject—how far the oral negotiations have proceeded, what is the outlook for a settlement, and what settlement may be arrived at in this matter which is one of very great interest to the people of the whole province.

Mr. GRAHAM: Mr. Chairman, my hon. friend places an order before me that I am afraid I cannot attempt to fill. I might answer his first question by saying this is just a formal extension of the act confirming agreements made between the two governments.

Mr. BAXTER: Just a formal extension?

Mr. GRAHAM: Just a formal extension for two years. Since the act was passed the time for completion of the road and the earning of the subsidy has been extended. I might explain here that a peculiarity, which only came to my notice a few days ago, occurred two years since. At that time this House passed an extension of the act extending the time for the completion of the line, but it never got over to the Senate at all. We cannot blame the Senate for killing that bill; it never saw it. I only discovered the fact quite recently. The law officers of the crown say this bill will reinstate the line and give it two years extension; it is purely formal. There is no doubt in the world it was originally intended that this particular piece should be constructed; and it is a portion of the line included in the agreement made between the Dominion government and the government of the province of New Brunswick, I think along in 1916, by which the latter government undertook to construct a line and the Intercolonial, as its share, undertook to operate it. The St. John Valley railway is now operated by the Intercolonial, and while the province of New Brunswick has to pay a quarter of a million dollars interest on the cost of construction, it also costs the Dominion government a sum approximating a quarter of a million dollars every year for operation. It is a situation that is serious both from the railway standpoint and from the standpoint of the province of New Brunswick. As to the correspondence and the oral negotiations urging the taking over of the St. John Valley railway, I may say that the government of New Brunswick has urged very strongly that it is the duty of the Dominion government to take over this piece of line. Up to date, so far as I know and I think I would know, the negotiations have not come to a point where the federal government has committed itself to take over the line. It is thought that if the branch lines proposed by the Canadian National, and I believe to be constructed, will in a measure, quite a large measure, increase the traffic on the St. John Valley railway—

Mr. BAXTER: On a small portion.

Mr. GRAHAM: —it will add to that extent to the revenue of the St. John Valley railway—

Mr. BAXTER: If it is any good at all it will help our deficit.

Mr. GRAHAM: It will help the deficits in both cases. I cannot say any more; I think that answers the question of my hon. friend. I have no policy to offer for the future except to say this—that the Canadian National cannot well afford at the present moment to take on any more burdens.

Mr. BAXTER: I might ask the minister this further question: Will he consider some

form of joint adventure, possibly between the province and the Dominion, with the object of extending this line to its originally planned northern terminus, and coupled with that a suggestion, at least to the Canadian Pacific, for joint use of the road, so that all the traffic coming from the port of St. John by the Canadian Pacific as well as by this railway would come entirely through Canadian territory.

Mr. GRAHAM: I did not catch my hon. friend's idea at first. That would be to eliminate that portion that runs through the state of Maine?

Mr. BAXTER: Yes.

Mr. GRAHAM: I shall be glad to take the remarks of my hon. friend and lay them before the presidents of both railways.

Mr. BAXTER: Thank you.

Mr. CALDWELL: There is another feature of this matter that is possibly as important as those advanced, and the reasons advanced are valid and good. There is a strip of territory comprising possibly three hundred square miles north of Centreville that this road would serve that is now not served at all by any railway for at least four months in the year. It is a very serious situation, and possibly I can make plain to the minister and the House just what I mean. That section of New Brunswick lying west of the St. John river, between the St. John river and the American boundary and north of Centreville, is the section I refer to. During about four months of the year the farmers and producers cannot reach the Canadian Pacific without an extremely long haul. There is a bridge spanning the St. John river at Florenceville, and another at Andover. Between these two points the Canadian Pacific railway follows the eastern side of the St. John river. It is a mighty river and there are two months in the fall, when the ice is forming when farmers cannot cross with their teams. That is the time of the year when the farmers need to sell their produce in order to meet the bills coming due about the first of January. But that is the time, between the completion of their fall work and the beginning of the year when it is almost impossible for them to cross the river. The same condition obtains in the spring months when the ice begins to get poor—there is no crossing. It is a mighty river in the spring, and the freshets at that time, and the running logs, aggravate the situation. Possibly it is the middle of May, sometimes the first of June, before it is possible for the ferry boats to cross with teams with full loads. By that time the farmer has got into his spring work, and any potatoes he may have carried over will have deteriorated and not be fit for market. It is a serious situation for that section of the country, which I think is rightly called the garden of the province, so far at least as agriculture is concerned. It is all settled, the farmers having developed a fine agricultural area out of the forest against very adverse conditions. By reason of the fact that the road under discussion has not been completed a large number of the farmers have sold their holdings fairly cheap, being at a disadvantage in marketing their produce.

One of the reasons for the deficit on the St. John and Quebec railway is the fact that this extension of the road has not been built. This means that the traffic that should go over this road must go to the Canadian Pacific Railway at a time of year when it is most inconvenient for the farmers to market their stuff. Some years ago I was on a delegation which waited upon the government of the province of New Brunswick to urge the completion of the northern section of the road from Centreville to Grand Falls, and two arguments against the work were advanced at that time. One was the fact that the cost of construction was too high to warrant it; and the other was that we had no connection with the Maine Central, being more or less held up both for empty cars coming in and by the freight rate of the Canadian Pacific, who had control of that section of the road between Vanceboro and Fredericton and Vanceboro and St. John. It meant that if this connecting link were not built we were merely a collecting agency for freight for the Canadian Pacific. In fact, the Premier of New Brunswick, at that time Hon. W. E. Foster, told us that if we could induce the Dominion government to build the connecting link between the St. John and Quebec road and the Maine Central the province would have no hesitation in completing the northern section of the St. John and Quebec railway with the assistance of the Dominion subsidy. I was a very new member at Ottawa at that time, but I arranged an interview with the then Minister of Railways, Dr. Reid, at which the president of the St. John and Quebec Railway and the president of the Eastern Maine Railway Company, so-called, were also present. They came to an understanding with Dr. Reid that he would bring down a bill the next year to complete this connecting link. The next year, however, when the railway report was submitted to parliament it disclosed an immense railway deficit and Dr. Reid refused to bring

down this promised bill. He declared, and rightly so perhaps, that the deficit was too high to allow him to take up the matter and he did not feel like introducing the bill. The present Minister of Railways (Mr. Graham) has brought down a bill for this purpose on two occasions and has piloted it through this House, I must say with very strong opposition from at least one of the members for St. John, who gave as a reason for opposing the proposition that it would hurt the port of St. John. I have never agreed with this contention, for I do not think that this connecting link would divert any traffic from St. John; I cannot see how it would, because there is no traffic to-day going through the port of St. John that would not still take that route if this link were built. The completion of this section would simply mean that traffic over the Intercolonial railway destined to New England points would go over the Canadian Government railway to Vanceboro instead of over the Canadian Pacific.

I hope there will be no opposition to this bill. I have it on good authority from the powers that be in New Brunswick that they do propose to go ahead with their portion of the undertaking and they sincerely hope that the Dominion government will do its part. I think it is the only logical thing for the government to do. With the road in its present position, losing for the Dominion government a quarter of a million a year and for the provincial government a quarter of a million, it means that in eight years this combined loss would amount to four million dollars, which would be enough to complete the road and turn it into an asset, whereas at the present time it is merely a liability. It is my candid opinion that if the road were completed to Grand Falls to connect with the Transcontinental at that point, and the connecting link from Kingsclear to Vanceboro, or possibly Harvey, and then over the Canadian Pacific Railway from that point, would not only pay operating costs and interest on cost of construction but would also eventually pay the capital cost. I am well convinced of that fact, and living in that immediate vicinity I have a very good idea of the whole situation. I trust, therefore, that the bill providing for this extension will pass.

Resolution reported read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 110 to authorize the extension of time for the completion of the St. John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, New Brunswick.

[Mr Caldwell.]

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

LIVE STOCK AND LIVE STOCK PRODUCTS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend The Live Stock and Live Stock Products Act, chapter 18 of the statutes of 1923, by making provisions,

(a) to facilitate business on the stock yards by providing that all moneys received on account of sales for live stock sold by a commission firm on behalf of the owner thereof shall be deposited in a shipper's live stock commission account instead of a shipper's trust account as at present;

(b) to provide for the licensing of egg buyers, egg collectors and dealers, and exporters of live stock, meat, poultry, eggs and wool;

(c) to amend the power to make regulations as to the manner in which eggs found to be unfit for human consumption shall be valued and disposed of.

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

On paragraph (a):

Mr. MOTHERWELL: Most of the farmer members will recall that prior to two years ago there was a good deal of complaint that, when stockyard buyers went out into the country purchasing animals and giving cheques for them, it was found that in some instances when the cheques went back to the bank, they were not honoured. Usually there was money when the man started out buying, but perhaps the bank found there was some other claim upon the party and it would appropriate the bank account for its own or the other party's use. Consequently an attempt was made two years ago to provide against this contingency by having all moneys used for purchasing cattle deposited to the credit of the buyer in what is called a trust account which could be devoted to that purpose only. This was intended to correct the difficulty complained of, but it was found that it could not be corrected in that way without violating the usual practices in the administration of trust accounts. The legal authorities contend that when an animal is sold to a buyer, the money that can be used for buying that animal cannot be used until the animal is resold by the buyer and the money placed in that trust account. That is impossible and the difficulty has not been remedied. Consequently, instead of the buyer having his money placed in a trust account out of which it seems to be difficult to get it for the purpose desired, the legal authorities advise that it is better to place the money in

a shipper's live stock commission account and then it will effect its purpose. That is the purpose of paragraph (a) of the resolution, and it gets over the difficulty of the trust account which we found was not very much better than the old method. There have been no great complaints under the trust account method, but if the procedure had ever been challenged, it would be found that we were violating the usual procedure under trust accounts. That is the reason why we are making this change.

Mr. GOULD: Does that embrace moneys received from co-operative shipments? Are they deposited in shippers' accounts and then the cheques made out to the individuals who have built up the co-operative shipments?

Mr. MOTHERWELL: I do not think there has been any difficulty in connection with that. We have been trying out this trust account method but we have been violating another phase of the law to do so.

Mr. GOULD: I asked the question because, in the past, individuals to whom co-operative shipments have been sent have deposited the proceeds of the shipments to their private account, and sometimes, as a result, the individuals who built up the co-operative shipment have not received their money.

Mr. MOTHERWELL: This will correct that.

Mr. JELLIFF: Will this be referred to the Agricultural committee also?

Mr. MOTHERWELL: Yes. All these bills will be.

Mr. JELLIFF: I have had one of those cheques such as the minister describes deposited in one of my pigeonholes at home for six or eight years. Many that should have gone to me went to the bank. I hope sufficient protection will be provided by this amendment.

Mr. MacLAREN: Has the minister considered the use of certified cheques? That would seem to me to be a very simple method of securing payment to the owner of the cattle. Such cheques could be paid only to the order of the person who holds the cheque and funds are retained for that purpose.

Mr. MOTHERWELL: In that case every cheque would have to be certified and the man would have to be at the bank to get a certified cheque. That would correct the difficulty only for one particular cheque.

Mr. KELLNER: I do not see where the proposal in this resolution is going to deal with the buyer at all. This refers entirely to the commission man. If a man is going out buying cattle, he would be just as free under this resolution to give a man a worthless cheque as he is now.

Mr. MOTHERWELL: Anybody can give a worthless cheque if he likes to take the risk, but this is to prevent the practice, which was rather common in days past, of a bank taking over and charging up any overdue notes to a man's bank account as is the usual practice. If you give a note to a bank and you do not settle it at maturity, it will be charged up to your account. That might absorb all the balance that was in the account and there would be nothing to honour the cheques that come in. This is to provide a separate account altogether from a man's private account.

4 p.m.

Mr. SALES: A commission account only?

Mr. MOTHERWELL: Yes.

Mr. KELLNER: That is the point. If the man is buying stock, this does not affect him at all. If he is a commission man handling on commission, it would affect him.

Mr. MOTHERWELL: I went all through this two years ago and the hon. member for Macleod (Mr. Coote) was good enough to assist me. We were all in a quandary and I consulted with my hon. friend. I give him credit for suggesting to me what we both thought was good advice, and we tried it out. The lawyers in the House did not seem to be able to offer any solution. My hon. friend was a banker and we worked this method out together, but we ran up against another difficulty and this is to get over it.

Mr. MARTELL: If the minister had consulted the lawyer members in the first place, he would not have run up against this difficulty.

Mr. MOTHERWELL: Perhaps not. Lawyers are useful sometimes.

Mr. COOTE: Since the minister has mentioned my name—

Mr. MOTHERWELL: I am not complaining; I think we both thought it was all right.

Mr. COOTE: I still think the act as it stands now is all right. Possibly it is causing a little trouble for the commission man, putting him to a little extra bother, and that is why they are asking for a change. The act as it stands now, compelling the commission man to deposit the money in a trust account, is making the money of the owner of the cattle

safer than it will be when it is simply carried in a special live stock commission account. Under the act as it stands now, if a commission man used that money for any other purpose, he would be violating a trust. At the same time it prevents the bank charging up any note which the man might owe the bank, to his trust account. The minister is quite correct in stating that this was done formerly, and it was the cause of the present act being passed two years ago. There were certain commission firms in Calgary and Winnipeg that had lost money through the buying and selling of cattle. They were in debt to the bank. When a large shipment of cattle was received by the commission firm it deposited the proceeds of sale in the bank and issued a check to the owner of the cattle, but before the latter could get his cheque cashed the bank had charged up the firm's note. They had really taken the proceeds of the man's cattle to pay the commission firm's debt to the bank—a very unfair and, I think, dishonest practice. The present law absolutely prohibits that practice. So far as I can see, the amendment is being made to meet the wishes of the commission men who are put to some bother through the working of the present act. I wrote the Western Stock Growers' Association for their views on the change proposed by the minister, they did not offer any objection to it, so personally I am not going to object to the bill going to committee. I took this matter up in the first place at the request of that association and did my best to get some law enacted that would protect the shippers of cattle. I believe that as the law stands we have that protection, and the commission men have got along with it for two years. Therefore I think when this resolution goes to the committee on Agriculture the commission men, or whoever are advocating the change, should be required to show why the present act should be changed, for I am sure it is protecting the shippers.

Mr. MOTHERWELL: I can assure the committee, Mr. Chairman, that all these phases will be threshed out and everybody will be given an opportunity before the agricultural committee to discuss the amendments so we may get everything just right. Sometimes in curing one difficulty we create another, and this we want to avoid. There is a little difficulty here, and by having the live stock commissioner and other authorities before the committee we will be able to find where the defect is. I appreciate the assistance my hon. friend from Macleod (Mr. Coote) has rendered so far, and if he will get busy I fancy we can correct the defect in the committee.

Paragraph (a) agreed to.

On paragraph (b):

Mr. MOTHERWELL: Since this was drafted we have consulted the Justice department, and they inform us that the licensing of these people is purely within provincial jurisdiction. Therefore I would ask that this paragraph be eliminated.

Mr. GARLAND (Bow River): Before this paragraph is struck out, Mr. Chairman, may I ask the minister why it would not be possible for the federal government to undertake the licensing of exporters of live stock, meat, poultry, eggs and wool? I can understand that such a provision might be invalid with respect to buyers, but I should think the licensing of exporters would be within the federal jurisdiction.

Mr. MOTHERWELL: This licensing is usually recognized as a provincial prerogative unless the particular business is declared to be for the general benefit of Canada. I know it is for the general benefit of Canada that we should have only good eggs exported, but nevertheless I do not think we can bring this within our jurisdiction. I can assure my hon. friend from Bow River (Mr. Garland) that I was very sorry to learn that we have not this authority, because many men in the egg and other export trades are almost ruining the business by making shipments of bad goods. By a system of licensing we could get after these men. Such a system was in force under the War Measures Act, but you could do many things during the war which you cannot do now.

Mr. CHURCH: Mr. Chairman, the minister is dropping this clause because the Justice department has ruled that it is a matter for provincial and municipal jurisdiction. I think if he will look over the various acts administered by his department he will find that they contain a lot of similar provisions that the Justice department would declare to be illegal and ultra vires of this parliament.

Mr. GARLAND (Bow River): Mr. Chairman, the minister has made it fairly clear that it would be within the provincial jurisdiction to provide for the licensing of egg buyers, egg collectors and dealers; but I submit that the export of any of the commodities specified in paragraph (b), not from province to province, but from the Dominion to another country, is a national business. Therefore I

would suggest that he merely strike out the words "egg buyers, egg collectors and dealers," leaving the licensing to apply to the exporters of live stock, meat, poultry, eggs and wool. This will give the minister an opportunity to protect importing countries against some of our evil-minded exporters, and also to protect producers against the machinations of these people.

Mr. MOTHERWELL: I accept my hon. friend's suggestion, Mr. Chairman. That is my own view. I sent the amendment back to the Justice department, feeling that we had a right to deal with exporters. I have not at hand the opinion of the Justice department but it was to the effect that their view applied to the exporters as well. I should like to discuss it further.

The CHAIRMAN: The paragraph can be amended in the agricultural committee. This merely indicates the principle.

Mr. MOTHERWELL: Yes, leave it the way it is.

Paragraph (b) agreed to.

On paragraph (c).

Mr. CALDWELL: This would look to me like a duplication of services, for we already have this work looked after in the province of New Brunswick by the provincial government.

Mr. MOTHERWELL: There is a very fine line of demarcation, and sometimes you require very powerful X-rays to detect where Dominion jurisdiction stops and provincial begins. Bad eggs have a commercial value for tanning certain kinds of leather, and I think they bring a dollar a case for that purpose. But the tanning business does not absorb them all, and we want to make regulations so that the surplus may be destroyed in an incinerator or in some other way to be prescribed. We find that some unscrupulous persons, taking advantage of the regulations which permit five offgrade eggs to a case, will substitute this number of bad eggs and make a corresponding profit. We want to make as strict regulations as possible to prevent any deliberate attempt to put back into the trade eggs which are bad and designated as unfit for food. It it not an easy matter, but we want all the authority we can get.

Mr. CALDWELL: I am in thorough accord with the taking of this step; it is just a question of what authority should act in the matter. A conference is to be called this summer between the provinces and the Dominion and I doubt whether they can in one conference deal with all the matters that should be taken up. There should be a definition of the lines of jurisdiction and of taxation between the Dominion and the provinces, and one of the things that might well be taken up is the question how far the Dominion goes in matters of this kind and how far the province goes.

Mr. MOTHERWELL: When the act was consolidated two years ago we were aware that we were sailing pretty close to the wind in many places, and in order to avoid the possibility of going over the mark I communicated with all the provinces, suggesting that in the event of the act overriding their powers they pass concurring legislation and obviate the difficulty in that way. Where there is an overlapping of provincial and federal authority and it is thought desirable that the federal authority should have jurisdiction, the provinces so agreeing can delegate the authority to the Dominion. Three provinces, I think, did that with respect to all the phases of this act.

Mr. CALDWELL: Where the provinces agree to co-operate, do they have inspectors of their own for this purpose?

Mr. MOTHERWELL: No, it is federal inspection.

Mr. CALDWELL: We have a Department of Health, and our people in New Brunswick think it is costing us too much. That gives rise to the suggestion that officials of that department could do more work along this line and thus help offset their salaries. That, of course, should not involve any interference with work they should do or responsibility they should assume.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 111, to amend the Live Stock and Live Stock Products Act, 1923.

Motion agreed to, and bill read the first and second times and referred to the committee on Agriculture.

SUPPLY

MARINE AND FISHERIES

The House in committee of Supply, Mr. Gordon, in the chair.

Public Works chargeable to capital—Marine department—river St. Lawrence ship channel—maintenance and operating dredging fleet, $1,663,000.

Mr. GARLAND (Bow River): What is the explanation of the very large increase?

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): Perhaps I might as well read the statement with regard to this vote:

This proposed appropriation is for the continuance of operations in connection with the deepening and widening of the St. Lawrence ship channel between Montreal and Father Point, and for the enlargement and acceleration of these operations.

Provision was made in the main estimates for the fiscal year 1924-25 for $613,000 for the maintenance and operation of the fleet then in commission, and in the supplementary estimates an additional amount of $350,000 was voted for the reconditioning of additional vessels which had been laid up for some years, with the view to the enlargement of operations next season.

The amount required to maintain and operate the enlarged fleet next season is estimated at $1,010,000, which includes $200,000 for night operations. Provision is also made for the expenditure of $653,000 in the reconditioning of vessels laid up, additional to those for which provision was made in the supplementary estimates last year, and for the construction of several new vessels.

Previous to the war a large expenditure was made in maintaining, deepening and widening the St. Lawrence ship channel from Montreal to Father Point, but on account of the war a number of the vessels and dredges were laid off and anchored in Sorel harbour, and the greater part of the work was stopped. Since the war we have been taking the work up again little by little. It was first planned to deepen the St. Lawrence ship channel to 30 feet, but about 1910, the programme was changed and it was decided to make it a 35-foot channel. This work has not been started in order particularly to help Montreal or any other port in the province of Quebec, but with the sole object of developing this very important shipping route, known as the St. Lawrence route, and I think it is in the national interest that the work should be undertaken and carried on. Besides, we are receiving and have been receiving for a long time complaints from the shipping companies and the Pilots' Association in regard to the condition of the St. Lawrence, and even when we shall have placed in commission all the dredges which were in operation before the war, it will still take about ten years before the programme of deepening the St. Lawrence to 35 feet is completed. It is most important that we should carry on this dredging. Its importance has been recognized by all previous governments, and large amounts of money have been spent on it. Having taken that into consideration, and in view of the various representations which have been made to my department by the shipping companies and different other interests, I think this government is justified in spending a little larger amount this year than was spent last year, particularly in view of the fact that with the best intentions and even with this enlarged expenditure the programme cannot be completed before ten years.

Mr. GARLAND (Bow River:) Just how is this work being done? Is it being done by sections, gradually spreading over the whole route?

Mr. CARDIN: The work is divided into five sections: (1) from Montreal to Sorel, 45 miles; (2) from Sorel to Batiscan, 36 miles, not including lake St. Peter; (3) lake St. Peter, 20 miles; (4) Batiscan to Quebec, 59 miles; (5) Quebec to Goose Cape, 66 miles.

Mr. GARLAND (Bow River): What I really want to get at is whether the work is being done over the whole route at the same moment.

Mr. CARDIN: Yes.

Mr. GARLAND (Bow River): What special need has arisen for this great depth? Are the boats coming up the St. Lawrence becoming larger all the time?

Mr. CARDIN: Yes, the tendency is always to increase the capacity of the boats. But even for the ordinary shipping, we find it is absolutely necessary to have this dredging carried on, in order that it shall be known to all that the St. Lawrence ship channel is perfectly safe, and that nobody shall have reason to complain about it. We often hear complaints about the insurance rates on cargoes and ships, and I think it is in the interest of the whole of Canada that the St. Lawrence ship channel be put in such a condition that we shall be in a position to ask for a reduction of insurance rates. The greater the depth, the safer the ship travelling along this very important route.

Mr. LADNER: Are there to be more dredges put on, or are the present ones going to do additional work?

Mr. CARDIN: We are putting more dredges into commission. They are not new ones, as they were operated before the war, but were laid up during the period of war. We have had repairs made to a certain number of these dredges which we are now placing in commission, and we intend to maintain double shifts on duty, so that the work will be carried on night and day.

Mr. KNOX: The minister says the larger boats are coming to Quebec, and therefore the necessity for this dredging. Might I ask if the dredging is not continued on up to Montreal?

Mr. CARDIN: Yes.

Mr. KNOX: Is the new system of piloting by means of a cable on the bottom of the channel being used on the St. Lawrence ship channel?

Mr. CARDIN: No.

Mr. GARLAND (Bow River): Of course, I am not specially interested in either Montreal or Quebec. I would not wish any favouritism shown to the one as against the other, but I would like to have the minister explain why he believes it to be in the national interest that these larger boats should be able to come up to Montreal. Why is this additional amount of work necessary? Would it not do if the channel was deepened from Father Point to Quebec, and the boats loaded and unloaded at that port? We find Quebec a good port for our live stock.

Mr. CARDIN: I am quite free to admit that the port of Quebec is a good one, and I say here it needs to be given all the assistance we can give it, but we must also remember the investment that has been made in the port of Montreal, the organizations that are established there, and its great importance as a shipping point. It is necessary to keep Montreal in line with the developments that are going on elsewhere. I might point out here that the dredging is not simply carried on from Quebec to Montreal, but also from Quebec to Goose Cape. Up to two or three years ago the vessels have been using what we call the south channel, passing on the south side of Grosse Isle, but for several years past, the department has been engaged in deepening the channel on the north side of Grosse Isle, and this channel has been found more advantageous by a great number of ships. The shipping companies are anxious now to have this channel completed, and quite a sum of the amount asked for by this item of the estimates is to be expended in deepening what we call the north channel. Although the dredging we are carrying on will no doubt facilitate entry to the port of Quebec, we have also to maintain the whole channel which has been deepened at a very large expenditure in the past, because even in developing the port of Quebec to its full capacity and giving it all the advantages we could, there are still a certain number of vessels that would likely come up to Montreal, on account of its importance as a shipping centre and on account of the commercial establishments that are to be found there.

Mr. LADNER: If this $700,000 was not spent, will the minister take the responsibility of saying that shipping would not get along just as well this year as it did last year? My point is that the discussion during the last few months in parliament and the attitude of the public is in favour of the most rigid economy, and to expend $700,000 on dredging, with our finances as they are, is something which I think will cause a great question mark to arise in the mind of the public throughout Canada unless the minister can give adequate reasons justifying this expenditure. I again ask him, will he say on his responsibility that shipping could not continue for another year without a part of this $700,000 being expended?

Mr. CARDIN: I am quite free to admit that the ships would likely continue to come up to Montreal with the channel as it is at the present time, but we have to take into consideration the numerous complaints that have been made to the department, about the channel not being in the condition it should be in. If the channel is not deep enough, it is just that much more dangerous, and it gives a reason to the insurance companies to still maintain their present high rates in force. The St. Lawrence route is in reality under a handicap in comparison with other routes to American ports, and we are receiving complaints that it is not as safe as these other routes.

Mr. LADNER: May I ask the source of these complaints and whether they are serious in their nature? Are they merely the complaints of people who are always wanting something done?

Mr. CARDIN: These are not complaints from people who merely wish to see money expended. The representatives of the shipping federation at Montreal often come to my office and complain about the situation. The trading organizations in that city have been doing the same thing; and the pilots, who steer the ships from Quebec to Montreal complain very often about existing conditions. Very frequently last year, in the closing days of the season of navigation, vessels left the port of Montreal with only two or three feet of water under their hulls. If this is not an adequate reason for placing the channel in a safe condition, I am at a loss to know what would be a good reason.

Mr. LADNER: Is that the only available channel, or is it possible to take some other route?

Mr. CARDIN: It is the only available channel; there is no other route.

Mr. TOLMIE: What is the ordinary depth of the channel?

Mr. CARDIN: The average, I think, is twenty-nine feet and a fraction.

Mr. TOLMIE: What are you making the depth of the channel now?

Mr. CARDIN: Thirty-five feet. A certain part of the channel has a depth of thirty feet at present, but our programme is to deepen it to thirty-five feet.

Mr. JELLIFF: Is this work being done by government outfits, or is it being carried out by outside parties under contract?

Mr. CARDIN: It is being done by government outfits. All these dredges are the property of the government.

Mr. GOULD: Can the minister tell us what amount of filling-in takes place through the deposit of silt or other material in the channel?

Mr. CARDIN: I am informed that there is only one place where filling-in to any extent has occurred, and that is not very far from Three Rivers.

Mr. BROWN: What period of time will be occupied in deepening the channel to a depth of thirty-five feet?

Mr. CARDIN: With the appropriation we are asking now, and the carrying on of the work in the manner we contemplate, it will take ten years before we reach completion.

Mr. GARLAND (Bow River): With the full amount of $1,600,000 each year?

Mr. CARDIN: Yes.

Mr. GARLAND (Bow River): Does the minister anticipate any increase in the vote? In other words, will the minister give the committee his present estimate of what the total cost of the work will be?

Mr. CARDIN: Well, if it is taken for granted that it will take ten years to complete the work it is only necessary to multiply the present amount by ten.

Mr. GARLAND (Bow River): Can the minister give the committee the cost of the work for the years 1921, 1922 and 1923? While he is looking up the information may I say that I hesitate to think of what is going to happen to the finances of the country by the time we reach Toronto.

Mr. LADNER: Perhaps we will continue to Hudson bay then.

[Mr. Cardin.]

Mr. CARDIN: The appropriation and expenditures have been as follows:

Year	Appropriation	Expenditure
1920-21..	$508,000	$507,211
1921-22..	613,000	567,370
1922-23..	693,000	658,933
1923-24..	629,540	626,372

Mr. GARLAND (Bow River): Frankly I do not think the country is in a position to face an expenditure of this kind. I have no objection to a moderate amount of work being done in deepening the channel a few feet in order to make it safer, but to go down to a depth of thirty-five feet all along the line would seem to me to require further justification than the minister has been able to give us. I should like him to tell us just what the ratio of increase in the draught of boats has been in the last four years, and what the anticipated increase in draught will be in the next ten years, that will justify deepening the channel to thirty-five feet. How much larger does the minister expect vessels using this channel to become?

Mr. CARDIN: Surely my hon. friend does not think I am in a position to say how much larger ocean vessels may become—

Mr. GARLAND (Bow River): But we are spending all this money.

Mr. CARDIN: —in ten years or even in one year; we do not know that. But even with the present capacity of ocean vessels we are receiving complaints that the channel is not sufficiently deep and there is a liability of accidents, of a large vessel being stranded with the result of completely blocking the channel. In what position would the government or the department be placed if, as a result of the channel not being sufficiently wide or sufficiently deep—one of these large vessels leaving Montreal with only two or three feet of water under its hull went considerably out of its course in a channel only five hundred feet wide? In what position would either the government or the department find itself if such an accident happened in consequence of the complaints and representations of shipping companies and other concerns being ignored? We want to avoid such a calamity. We want to make sure that navigation on the St. Lawrence route is made safe, and that neither that route nor our country will be discriminated against because of failure to make navigation as safe as we can make it.

Mr. GARLAND (Bow River): The minister is to be congratulated on the view he takes with which I agree entirely. But that is not the point. The point is, just what

depth and breadth does he consider this channel should have, and the reason therefor?

Mr. CARDIN: Several years ago, I think it was in 1910, it was decided that the depth of the channel should be thirty-five feet. Careful inquiries have been made, the question has been thoroughly discussed with the various interests concerned, and it has been deemed necessary to proceed with the work so that there might be a uniform depth, in the channel, of thirty-five feet, instead of thirty feet. The expenditure, in our opinion, is justified by the importance of the work and the advantages that will accrue not only to the shipping interests, but to the country at large from the deepening of the channel.

Mr. GOULD: The expenditure proposed to be made on this work in the next ten years will amount to $16,630,000. Will this work when completed form part of the international scheme for the improvement of the waterways?

Mr. CARDIN: It will certainly be an essential part of it.

Mr. GOULD: The contemplated width and depth of the channel will be in conformity with the plans contemplated for the improvement of the international waterway?

Mr. CARDIN: Certainly.

Mr. GOULD: This work will be considered as part of the Canadian programme?

Mr. CARDIN: It can be considered as a Canadian contribution.

Mr. GOULD: That is the objective of the department at the present time?

Mr. CARDIN: I am not in a position to say that we are doing this work at the present time as part of our share in the undertaking, but it will be in harmony with the scheme which is contemplated.

Mr. CARMICHAEL: I should like to ask the minister a question for the purpose of getting some information. In the recent past there has been a good deal of controversy between Canada and the United States and between different sections in the United States in regard to the Chicago drainage canal and the lowering of the lake level. According to what I have read, some have gone so far as to state that lake levels have been considerably lowered in the last few years because of the action of the Chicago authorities in draining off the water in lake Michigan. Does this affect the water level of the St. Lawrence? Taking a period of some three of four years back, has the minister any information to give the committee regarding the level of the St. Lawrence?

Mr. CARDIN: There has no doubt been a reduction in the level of the St. Lawrence because of the condition referred to, but it is difficult to determine exactly the extent to which this has taken place. We are, however, under the impression that the level has been affected.

Mr. GARLAND (Bow River): To what extent, approximately?

Mr. CARDIN: It is a matter of inches.

Mr. CARMICHAEL: It seems to me that if it does affect the level of the St. Lawrence to any extent whatever, this should be used as an additional argument by the Canadian authorities against any diversion by the Chicago drainage canal. So far as I have read, I have not seen such an argument advanced up to date, and I think it would be effective.

Mr. BANCROFT: Does the minister think that there is any advantage in spending public money to any greater extent than is productive of good business in the development of a trade route? The figures I have before me show that something like $17,000,000 has been spent in the dredging of the St. Lawrence ship channel up to the present time; and with the $16,000,000 odd which it is intended to spend in the next ten years there will have been put into this channel over $30,000,000, apart from lights, buoys and all other necessaries. I am wondering whether it pays to develop any trade route if it is too costly. Might it not be better for the ships to go as far as Quebec?

Mr. CARDIN: We all agree that the port of Quebec should be developed, and the necessary dredging to facilitate the entry of ships into that port should be done. At the same time we must take care of the St. Lawrence channel from Quebec to Montreal, because there will always be a certain number of vessels going to Montreal, in view of the large commercial and industrial establishments that carry on business there. And the hon. member knows that water transportation is always cheaper than railway hauling, so that the further inland we can go by water, the better it will be for our trade. I am sure that the money expended on the St. Lawrence route has been spent to great advantage, because in the proper sense of the term the St. Lawrence ship channel is a national utility. I do not think, therefore, that it would be wise to stop the work there at the present time.

Mr. BANCROFT: No one will object to maintaining the present channel from Quebec to Montreal, but the question is, shall we save enough in the water transportation over the rail haul to compensate for the cost of deepening and maintaining that waterway?

Mr. CARDIN: We think it will be a great saving; it is the natural course.

Mr. CALDWELL: This discussion is interesting in view of the proposed arrangement between the Dominion and the government of the United States for the deepening of the St. Lawrence waterway to the head of the Great Lakes; and as this question has come up regarding the immense cost of keeping the channel open as far as Montreal, I think the government might well pause before spending any money even for investigating the feasibility of carrying out the scheme for deepening the waterway to the head of the lakes. It is and always has been my opinion that the time has not yet come when that should even be considered. If our present transportation system will not handle the traffic from western and central Canada to the seaboard, then the time may come when this undertaking may be necessary. But I think it is so far ahead of present requirements that not a dollar should be spent even in investigating the project at the present time. I quite agree that it is necessary to keep the ship channel at the proper depth as far as Montreal for the type of vessels that go to that port, but I think, although I am subject to correction in this regard, that the port of Quebec is nearer to Winnipeg by rail than is the port of Montreal. The Transcontinental runs by such a direct route that, according to my information, the mileage is less between Winnipeg and Quebec than between Winnipeg and Montreal. The government might, therefore, well consider the advisability of using the National Transcontinental for the purpose for which we were told it was built. If that were done, moreover, the haul would be shorter from Winnipeg to St. John via Quebec than from Winnipeg to Portland via Montreal. This government proposes to develop the Canadian ports east and west, and this is commendable. And this I think is one of the methods towards that end. The Transcontinental has never been used to capacity, although it has a better grade than any other road in Canada and is capable of hauling larger trains than any of the other roads in the Dominion. The route, I repeat, is shorter to Quebec and if it were adopted it would obviate the necessity of deepening the channel between the harbour of Quebec and the harbour of Montreal to any greater extent than at the present time. This is my firm opinon on this matter, and I thought this an opportune time to express it.

Mr. McCONICA: The complaint, as I understand it, is that they are only bringing in cargoes to about forty per cent capacity and taking out eighty per cent, and I do not see that there is any immediate necessity for deepening this river. And in any case, it strikes me that it might be better to make boats fit the river than to make the river fit the boats.

Mr. CARDIN: The St. Lawrence route is not the main part of their trip. They have to navigate deeper waters than those of the St. Lawrence. The St. Lawrence constitutes only a small portion of their trip and we cannot control the capacity of a boat to be in accordance with the channel of the St Lawrence. We have to accept the boats which are now navigating the oceans.

Mr. KNOX: After this ten-year programme is carried out and all this dredging is done, will it be necessary to continue dredging to maintain the channel to a depth of thirty-five feet?

Mr. CARDIN: No further dredging will be necessary.

Mr. GOULD: How many miles of dredging are involved now?

Mr. CARDIN: On the thirty-five foot programme, there are eighty-one miles requiring dredging.

Mr. MEIGHEN: Has the dredging so far been conducted on the basis of a thirty-five foot channel? That is to say, has it not been conducted on the basis of a thirty-foot channel prior to date?

Mr. CARDIN: No.

Mr. MEIGHEN: There has been no dredging below the thirty feet?

Mr. CARDIN: Yes. On the first division from Montreal to Sorel, twenty miles have been dredged to thirty-five feet.

Mr. MEIGHEN: When was that done?

Mr. CARDIN: This work was started in 1910 and it has been continued since then.

Mr. MEIGHEN: How many miles are dredged to that depth now?

Mr. CARDIN: Forty-five miles.

Mr. CALDWELL: I was very much interested in the point raised by the hon. mem

ber for Kindersley (Mr. Carmichael). It has a very direct bearing on this question of dredging the St. Lawrence channel. What steps have the government taken to check the diversion of water by the Chicago drainage canal, and do they hope to effect any check on that by negotiations that
5 p.m. are now under way, or, if not, do they propose to take any more drastic measures? It is a very serious matter to this country if a foreign power is to be allowed to divert our water and if we must continue to dredge this channel deeper and deeper as time goes on, because I think it is a well known fact that the deeper you go the harder the dredging is. You get down to hard pan which is more difficult to dredge than the ordinary bottom of the river.

Mr. CARDIN: Steps have been taken, not by the Department of Marine and Fisheries, but by the Department of the Interior. The Minister of the Interior has been dealing with this question. The only thing that we did in the Department of Marine and Fisheries was to lend to the Department of the Interior the late Mr. Stewart, who died recently. He was head of the Hydrographic Survey in the Department of Marine and Fisheries and he worked with the Department of the Interior in connection with their dealings with the United States. The Marine department has nothing to do in regard to that.

Mr. CALDWELL: Is it a fact, as has been suggested by the hon. member for Kindersley, that this lessening of the flow has not been put up as part of the case against the diversion of water?

Mr. CARDIN: I should think it has been made a part of the protest because the late Mr. Stewart was quite conversant with all these things.

Mr. CALDWELL: The minister should make a note of that and if it has not been stressed, it should be stressed as the main argument.

Mr. CARDIN: I will certainly make a note of it, but I am quite convinced it has been done.

Mr. BANCROFT: Is all the work in connection with the construction and maintenance of the St. Lawrence ship channel carried on by the Department of Marine and Fisheries, or is there any overlapping by the Department of Public Works?

Mr. CARDIN: This work is carried on by the Department of Marine and Fisheries only.

Mr. CALDWELL: The Department of Public Works does some dredging on the St. Lawrence, it may be in harbours?

Mr. CARDIN: Not in relation to the channel.

Mr. CALDWELL: What is their part of the dredging?

Mr. CARDIN: Deepening the water in front of wharves. They never work in the channel. Their work is always outside of the main channel.

Mr. CALDWELL: It is the dredging of harbours?

Mr. CARDIN: Yes.

Mr. CALDWELL: Do the minister and the government not think this dredging, especially in the one river, should all be done under one department? I can well understand if you were going to Hudson bay, you would have to send some other department you had no use for, so that if they got frozen in during the winter you would not miss them; but as regards dredging rivers like the St. Lawrence, I would strongly urge having this all under one department. This has been urged repeatedly, but no attention seems to be paid to it. Every minister admits that this should be done, but evidently he forgets all about it or there is no co-ordination. I realize possibly as well as anybody the difficulty of co-ordinating under one head work that has become split up into several sections; but the government should very seriously consider at this time co-ordinating this work and cutting out duplication of expenditure. I do not want to steal the theme of the hon. member for South York (Mr. Maclean) as regards cutting out duplication of service, but this is one place where it might very well be put into practice.

Mr. GOULD: What is the estimated cost per mile from the international point of view of constructing the channel?

Mr. CARDIN: The work is estimated, no on a mileage basis, but on a cubic yarc basis.

Mr. BOYS: I understand this is part of a programme commenced in 1910. I observe that the estimate for last year was $613,000 and for the previous year, $613,000. Was the work in those years part of the programme started in 1910? Where was the dredging done and to what extent during those years? What was the average cost per mile?

Mr. CARDIN: During last year dredging was done to the extent of 1,373,420 cubic

yards at an average cost of 66½ cents per cubic yard.

Mr. BOYS: If the minister could put that in miles one would understand it better. Was it thirty feet before, or twenty-eight, or what?

Mr. CARDIN: The average depth is twenty-nine feet and a fraction.

Mr. BOYS: Was that the depth when the programme was instituted in 1910, and the programme involved dredging the channel to a depth of thirty-five feet?

Mr. CARDIN: Yes.

Mr. MEIGHEN: Can the minister tell us how many miles have been dredged in the last three years?

Mr. CARDIN: In 1924, on the thirty-five foot project, we dredged 128 miles at varying depths.

Mr. MEIGHEN: How much the year before?

Mr. CARDIN: We have not the figure for the year before, but I could give the number of yards, if that would be satisfactory.

Mr. MEIGHEN: That would not help.

Mr. BOYS: I do not understand the minister's reference to the "average depth." If the channel was twenty-nine feet, and it has been deepened to thirty-five feet, I presume that simply means it has been made six feet deeper?

Mr. CARDIN: The depth of the channel is not uniform. In certain points it is thirty feet and a little over, and at other points twenty-nine feet, so we have to figure the channel by the minimum depth, and we say its depth, generally speaking, is twenty-nine and a fraction feet.

Mr. BOYS: I gathered from the minister that the programme was to increase the minimum depth to thirty-five feet. Perhaps it would be thirty-six feet in places?

Mr. CARDIN: At the points where it is now only twenty-nine feet, the depth would be increased by six feet, but at other points the present depth varies from thirty to thirty-two and thirty-three feet. In other words, the depth is not absolutely uniform, and we have to judge it by the minimum, which is twenty-nine and a fraction feet at certain points.

Mr. BOYS: What was the programme of 1910?

Mr. CARDIN: It was thirty-five feet for the entire channel.

[Mr. Cardin.]

Mr. MEIGHEN: What is meant by "programme"? Did we contract with anyone to do the dredging?

Mr. CARDIN: No, the government decided to do it.

Mr. MEIGHEN: I see the figure given for last year is $963,000. The main estimate was for $613,000. Was there a supplementary estimate?

Mr. CARDIN: Yes, of $350,000.

Mr. MEIGHEN: Do we supply the dredges to the contractors?

Mr. CARDIN: The dredging is all done under the control of the Marine department. We have a number of dredges which were not used during the war. These have been reconditioned out of the appropriation of $350,000, in the supplementary estimates of last year, and this year we propose to place them in commission with the other dredges which were in operation last year. We also propose to have the work carried on during the night—that is, through the twenty-four hours, as it was done before the war. Even so, according to the information from the officials of the department, it will take ten years to bring to a final execution the programme which was contemplated in 1910, when it was decided to deepen the channel to thirty-five feet.

Mr. BOYS: That is what I wanted to find out. The programme contemplated an increase to that depth from what point to what point?

Mr. CARDIN: All along the channel.

Mr. MEIGHEN: What is in contemplation in respect of the large boat running on the Welland canal is that it will bring our grain down the St. Lawrence to about Prescott, and at that point, for many years to come, even if this work is all done, there will still have to be transhipment into another type of boat. Consequently this work is not a part of the Welland canal scheme at all, it is a new scheme in itself. I am not saying that it is not a good scheme, if we could afford it, but it will not enable us to get any advantage of the Welland canal expenditure. All the Welland canal expenditure will do will be to carry the Great Lakes boats through the canal into lake Ontario and down the St. Lawrence until they reach these canals in the neighbourhood of Prescott. That is the fact, is it not?

Mr. CARDIN: Yes.

Mr. MEIGHEN: Now the question comes, has the time arrived for us to enter upon a

great new scheme, perhaps conceived in 1910, but never yet seriously launched upon, and face a new expenditure, which the minister estimates at $16,000,000 odd, but which, according to the figures he has given now and according to the experience we all have, will total nearer twice that sum before we are through? The government this year introduces an estimate just three times what, until last year, we have been spending, and nearly twice what we spent last year, and if it goes on with its programme this expenditure is going to increase year after year. I wonder what is going to become of the aspirations of many other hon. members if this is proceeded with. In this connection—I mention this because I am not sure that it has been taken account of at its true value—of all this expenditure from the city of Montreal down the river, according to the treaties we have with the United States, they are entitled to equal benefits with ourselves. Naturally we make the expenditure; the river is under our jurisdiction, but they are entitled to the advantage of it equally with ourselves. The weight is upon us and upon us alone. But to the extent that we encourage the northern route referred to by my hon. friend to my left, we alone get the benefit. That route is now constructed. We have gone to that extent, and by the utilization of it, or increased utilization of it, we can use the river we have now at sufficient depth up to the city of Quebec to get an exit for our traffic. The minister says there are boats coming in that want deeper waters and that the government will be in a very bad corner if one of them gets on the bottom or hits hard pan. Are we under obligation to meet the demands of all these steamship companies accordingly as they want to use larger boats? Have we to dredge the St. Lawrence to suit the boats they want to put in service, and if we do not, are we to be in a corner, subject to lawsuit? I do not know what the lawsuit would be. We are looking after ourselves; we are not looking after the steamship companies. Now, suppose we continue as we are, giving them the 30-foot depth as they have it to-day, from Montreal down; the larger boats can go to Quebec and we can provide them with traffic there—would that not be a lot saner than to attempt to make a 35-foot waterway at this time from Montreal to the mouth of the St. Lawrence, in view of the condition the country is in? This is a colossal venture. We are plunging into it at a time when the government says we cannot do this and we cannot do that; we cannot reduce taxes; we cannot do anything because of the state of our finances, due to the reparation trouble in Germany. Has the government thought this thing out in perspective at all? The minister says the insurance rates are higher. It is not more than a month since his colleague told us there was no reason at all for the insurance rates being higher—intimated that it was just a part of the combine's effort to discriminate against Canadian ports. They must have become converted since the debate on the Petersen contract. If the insurance rates are higher, why does the government not take the insurance matter into its own hands? It is doing it on the Canadian National Railways.

Mr. CARDIN: It is a big problem.

Mr. MEIGHEN: It is not half as big a problem as deepening the St. Lawrence five feet from Montreal to Quebec.

Mr. CARDIN: Greater.

Mr. MEIGHEN: A greater problem to insure the boats?

Mr. CARDIN: Yes.

Mr. MEIGHEN: Well, I am afraid the minister's perspective and mine are very different in that respect. There is a certain rate now to Montreal. There is a certain rate to New York—a shorter distance, but the proportion can be worked out. All the government needs to do is to equalize, and if there is loss then the government can bear it. Does the minister suggest that would be greater? We are not under any obligation to carry any kind of boat right up to Montreal. I know we would like to; no one would like to more than I and the time will come, I have no doubt, when we will carry them up, at least so far as they require a channel of 35 feet. But in the meantime rather than launch upon huge new expenditures at this time, let us give insurance to boats that can reasonably go through, and give it at low rates. If others will not do it, let us do it; if the others are ready to do it well, let them. If they are discriminating against us and will not give the insurance let us take the business. In that way we would avoid, at least we would postpone until we were in a more secure financial position, the colossal expenditure we are now launching upon, seemingly without very much circumspection, without very much regard to the pockets of the taxpayers. We are to start out with $700,000 more this year, and a million more than the original estimate of last year, and this is to be increased annually for ten years—the minister will find it will

be for a good many more years than ten. And it is all on a new venture, no part and parcel of that programme upon which we are launched now; not something that is essential to get the benefit of any expenditures already made. I suggest these considerations to the minister. I do not remember any explanation of this programme being adduced when last year's supplementary estimate, so seriously increasing the original estimate, was brought before the House.

Mr. GOULD: I trust that the representations of this committee will be quite as weighty with the minister as the representations he has already cited on behalf of the deepening of the channel. He stated that 98 miles were being considered in the project. The member for Selkirk stated that $17,000,000 had been expended. The minister then said that another ten years would follow with approximately the same amount of the vote for this year, which would mean about $342,000 a mile. That is rather an extravagant programme to enter upon, in view of the present financial state of the country. I would suggest that the activities be confined to the dredging of a few ridges or such small areas as may be in need of attention in the channel, without any attempt to provide a 35-foot channel for the whole 98 miles. I cannot see where the relation between this project and the proposed international waterways project exists. It seems to me that our expenditure in that connection will not be decreased in any particular by this expenditure if in the future we embrace the proposal to engage with the United States in this deep waterways project. There are other places in Canada that require expenditures which have long been denied them. I can cite several places where public expenditures might be made, and even then do no more than justice to the people. I know of places which have not received any attention for the past ten, twelve or fifteen years, though it is much needed. It would appear that sometimes the government's pocket is full and at others, empty. I suggest to the minister that he consider in this connection a proportionate division of the revenues of the country.

Mr. WARD: Is this proposed work to be done entirely between Montreal and Quebec?

Mr. CARDIN: No, there is a very important portion of it to be carried on below Quebec, which will facilitate the entry of large vessels. There are a little over nine miles to be dredged below Quebec.

[Mr. Meighen.]

Mr. MEIGHEN: It would be only a rock here and there, would it not?

Mr. CARDIN: No.

Mr. MEIGHEN: What is the shallowest point below Quebec?

Mr. CARDIN: In the lower channel, 25 feet. In the ordinary channel we have a depth of 30 feet.

Mr. CALDWELL: If there is a channel of 30 feet on one side, does the government propose to abandon it and make another channel on the other side of the island? What advantage is to be gained?

Mr. CARDIN: The south channel is the most difficult to navigate.

Mr. CALDWELL: What is the particular difficulty if the water is deep enough?

Mr. CARDIN: I am informed that there is a swift current in the south traverse.

Mr. BOYS: What is the depth of the channel the Canadian Pacific liners take?

Mr. PARENT: They follow the same route as any other line.

Mr. BOYS: I am confused by this suggestion of two channels. It is the first I ever heard of it.

Mr. PARENT: There have always been two channels in the St. Lawrence, but it has been found for quite a few years that the better one is that on the north shore. There is any amount of water there, and it is a straight channel, while the south channel is a little crooked, and has always a swift current running. An excellent organization like the previous government, and the one before, thought it quite proper to prepare the north channel so it could be used by all lines,—by the Canadian Pacific and any other lines.

Mr. BOYS: What is the necessity for two channels?

Mr. PARENT: You cannot prevent that. The water is there, and you have to take one or the other. If we prepare a better channel, it is left for the companies to use it or not as they see fit.

Mr. BOYS: Is it the intention that the one being used now is to be abandoned, and the north channel deepened and used instead of the other?

Mr. PARENT: I understand that has been the policy of the governments for the last ten years.

Mr. BOYS: I am not criticizing at all; I am just asking for information, because I think this is a matter of sufficient importance to have a clean-cut full statement from the minister so that we may understand what is being contemplated and the necessity for it. I am not sure, but I would have thought that the Canadian Pacific boats would draw more than thirty feet.

Mr. PARENT: I may tell my hon. friend that a good many pilots have taken upon themselves to use the north channel, even without much preparation, for a good many years, and always with great success, to such an extent, in fact, that they have convinced the government it was the better channel to use.

Mr. FORKE: Why was the south channel opened up if the north channel was better?

Mr. PARENT: There is always time to learn.

Mr. FORKE: That is a very poor answer. I view with a good deal of alarm the spending of so much money at the present time. Of course, I admit there is a good deal more to be said for deepening the channel below Quebec out to the gulf, than for deepening it from Quebec to Montreal. But I think the channel between Montreal and Quebec could very well be left alone for a time and the Transcontinental railway be used to Quebec to which the larger ships, of course, could come. Hon. members may smile, but sometimes when we want to pass a vote for a few thousand dollars, we are told that money is so scarce it cannot be done, and then a vote for a million and a half will go through like lightning.

Mr. MEIGHEN: I think the hon. member for Brandon has misinterpreted the smile. I think my hon. friend from Montmorency (Mr. Parent) is smiling in approval.

Mr. BROWN: I think the government might well modify its programme in this respect. You cannot use any channel until it is all the same depth, and I do not see any reason in spending money deepening the channel between Montreal and Quebec if there is a part of the channel below Quebec that is not of sufficient depth to accommodate the ships. None of us here are sailors, but at all events we can understand that a channel with a depth of 35 feet in one part is of no use if you have only a depth of 25 or 30 feet in the other part.

Mr. PARENT: That is only for a small distance.

Mr. BROWN: I would see an eminent reason for deepening the channel below Quebec so that the largest ocean steamers could come up that far, and if that was the immediate programme of the government, for my part I could very heartily endorse it, but until that work is completed below Quebec, it would seem to me folly to spend money deepening the channel above Quebec.

Mr. DECHENE: Perhaps I might explain the situation below Quebec, as it just happens to be near the town of Montmagny. The tide at St. Thomas bank averages from seven to eighteen feet, and when the tide is down the Canadian Pacific Empresses stop at the lower end of the St. Thomas bank and wait there till the tide has risen four or five feet before they can go across. They do not dare to take the channel as it is to-day and go on to Quebec unless the tide is up. Part of this channel runs crosswise to the main current in the river, and there is not enough water when the tide is low to allow these big boats to use the channel. When the tide is up, they have eighteen feet more than they need, and they can proceed easily, but when the tide is low they simply have to wait.

Further down we have what we call the lower traverse, which starts from the south shore and goes pretty nearly to the north. It extends for ten miles and runs right across the current. At times when the channel has not been maintained very wide the boats will strike the side of the channel or a loose rock, and then a wreck happens. That has happened many times in the last few years. The north channel is a straight one, and it will avoid using the lower traverse. The traverse will then take place at the foot of Orleans island, where there is practically no current at all. Of course, the northern channel cannot be used by the big boats until it has depth enough for them to pass, and therefore you have to keep the southern channel open until the northern one is in a condition to be used. I remember well that in the years 1911, 1912 and 1913 and up to the war the dredge of the Department of Marine worked all the summer around Orleans island dredging the northern channel. It has been quite a long business, and unless you keep carrying on we shall always have lots of trouble with that part of the channel at St. Thomas bank in connection with the transatlantic service. I think that is the reason why the department is doing this work, and I endorse the government's action in carrying it on.

Mr. BROWN: It is not a question between using the north and south channel below

Quebec. I would not presume to express an opinion in regard to that matter at all. I would be quite prepared to take the judgment of others who are in a position to express an opinion on that, but I cannot see anything to be gained by spending money deepening the channel to thirty-five feet between Quebec and Montreal when the channel below Quebec is not at present in a condition to accommodate the larger ships that come up. Is that the fact?

Mr. DECHENE: When the tide is up there is sometimes forty and forty-five feet below Quebec, but there is not thirty feet when the tide is low. The ships can always come up when the tide is up.

Mr. BROWN: I do not know what the conditions are, but so long as the channel below Quebec is not in a position to accommodate the larger ships that want to come to Quebec, it seems to me there is nothing to be gained by spending money making a 35-foot channel at any point between Montreal and Quebec.

Mr. DECHENE: It simply means at present a delay of two or three hours for the tide to rise and give enough water for the big ships to come up from St. Thomas bank. It takes three or four hours for the tide to rise high enough for the ships to pass.

Mr. BROWN: Then under the present conditions, making allowance for the tide, the larger ships that want to come to Quebec can come?

Mr. DECHENE: Yes, they come up all the time.

Mr. BROWN: Then what proportion of the money is required to do the work that has to be done below Quebec?

Mr. DECHENE: I cannot say at all. When the tide is low the Canadian Pacific steamships have to drop anchor at the foot of St. Thomas bank and wait for the tide to rise. Sometimes they succeed in reaching the bank itself when the tide is low, but that only happens four or five times during the summer.

Mr. BANCROFT: I suggest to the minister that the work, for this year at least, be all done below Quebec.

Mr. CARDIN: Suppose we should do that, will anyone in this House say that it is not necessary to continue deepening the channel between Quebec and Montreal in order to ensure safe navigation to all large vessels? Will anyone say that, while we are developing the port of Quebec and the navigation facilities below it, the port of Montreal should remain inactive? Will anyone pretend that the numerous vessels which usually make Montreal their port of destination, should desist from doing so?

Mr. HOEY: We will have more money available later on than we have now.

Mr. CARDIN: But we cannot defer until then the deepening of the channel between Quebec and Montreal. We may have a serious accident in the meantime. This is not by any means a new project. The right hon. leader of the opposition seems to argue that we are entering upon a new programme. I can assure my right hon. friend that it is not so.

Mr. FORKE: But the expenditure is increasing.

Mr. CARDIN: In the years 1910, 1911, 1912, 1913, 1914 money was spent by the government then in power on this very project—the deepening of the channel between Quebec and Montreal—and large expenditures were made upon the undertaking. These expenditures were not made merely for the sake of spending money. They were the result of recommendations made by the parties most interested—the shippers, the manufacturers, and the navigation interests of Montreal. I think we are absolutely justified in deepening, widening and straightening this channel, in order to facilitate the navigation of what I may call a national waterway. The work below Quebec has to be done, and facilities must be provided to develop the port of Quebec itself so as to accommodate the large vessels that call there; but we cannot stop there, we must improve the navigation conditions between Quebec and Montreal. We must take care of the traffic which already exists between the two ports, we must make navigation safe for the large vessels now using the channel, and the probability is that in the future their number will increase rather than diminish. The port of Montreal must be developed to take care of the rapidly increasing business which it is attracting, and the ship channel between Quebec and Montreal must be rendered absolutely safe for the ships which navigate it in increasing numbers.

Mr. FORKE: What is the urgency of the situation that we require to spend $700,000 more this year than we did last?

Mr. MEIGHEN: There is an election coming.

Mr. CARDIN: No question of an election enters into this vote. The money is expended by the Department of Marine and Fisheries and the work is being carried out by government vessels under supervision of the department. This project was considered a necessity in 1910, and the conditions have not changed since then. If it was necessary in 1910 to deepen the channel to thirty-five feet, it is far more necessary to-day. I repeat, this is not new work; it is a continuation of work started and carried on by previous administrations.

Mr. MEIGHEN: How much were the votes in those years?

Mr. CARDIN: In 1914-15 the expenditure on this work was $999,762.15. In 1915-16 there was an expenditure of $981,761.64.

Mr. MEIGHEN: Where was that money spent?

Mr. CARDIN: It was spent in carrying on the programme of deepening the channel to thirty-five feet.

Mr. MEIGHEN: There was nothing spent then on deepening to thirty-five feet.

Mr. CARDIN: Yes.

Mr. MEIGHEN: I should like the minister to show where the channel was being deepened then to the depth it is to-day?

Mr. CARDIN: Well, take the case of division No. 1—Montreal to Sorel. The length yet to be dredged to a depth of thirty-five feet is only seven miles; the rest of the work has been done.

Mr. MEIGHEN: The minister said only seven miles had been dredged as yet.

Mr. CARDIN: No, I said the length yet to be dredged to a depth of thirty-five feet is seven miles.

Mr. MEIGHEN: How much has been dredged? The minister put it the other way before?

Mr. CARDIN: Twenty miles.

Mr. BOYS: Twenty miles out of ninety-eight miles is it?

Mr. CARDIN: No, twenty miles. There were twenty-seven miles in all to be dredged.

Mr. BOYS: What was the total distance originally contemplated?

Mr. CARDIN: The total distance of the division from Montreal to Sorel is forty-five miles.

Mr. BOYS: I do not mean this particular division, I mean the total distance for the whole programme?

Mr. CARDIN: The total distance requiring dredging under this programme is ninety-one miles, and forty-five miles have been dredged already to a depth of thirty-five feet. The distance remaining is therefore forty-six miles.

Mr. BOYS: I have not yet got into my head the difference between the north channel and the south channel. Do the liners take the north channel?

Mr. CARDIN: No.

Mr. BOYS: They take the south channel?

Mr. CARDIN: Yes.

Mr. BOYS: I cannot see why there should be two channels at Grosse Ile, that is the point that is puzzling me. Surely we ought to abandon one entirely and improve the other. Such a policy as that would certainly be better. Cannot we have an exact statement from the minister showing just what is contemplated?

Mr. CARDIN: These two channels are parts of the whole channel of the St. Lawrence; they are alongside Gross Ile below Quebec. The channel we have at the present time is south of Grosse Ile; the one we propose to use and to deepen is to the north. At the present time vessels follow the south channel; but as the hon. member for Montmagny has explained, the navigation is not as safe there as it is in the north channel on account of the swift current, and even at times on account of the lesser depth and the sinuosities of the channel. Navigators on the big ships already take the northern route, although the channel is not yet completed to the desired depth and there is an element of risk. But the majority of vessels are using the south channel.

Mr. BOYS: Now I understand the situation. Then it is the intention of the department to abandon the south channel when the new work is completed, is that the idea?

Mr. CARDIN: That will happen, certainly, because the north channel is a better channel than the other—it is a straight channel.

Mr. BROWN: Let us get the figures right as to the stretch of river between Montreal and Quebec. What mileage has been already deepened to a depth of thirty-five feet so as to accommodate vessels of larger draught?

Mr. CARDIN: The total length of the thirty-five foot channel already dredged between Montreal and Quebec is forty-three miles.

Mr. BROWN: Does that take into account the part that does not need dredging?

Mr. CARDIN: No.

Mr. BROWN: It all had to be dredged?

Mr. CARDIN: What I have given is what was dredged.

Mr. BROWN: And what is the total distance?

Mr. CARDIN: The total distance is 160 miles.

Mr. BROWN: That means that 117 miles of work remains to be done.

Mr. CARDIN: No; a certain part of the channel has already been dredged to a depth of thirty-five feet.

Mr. BROWN: That is what I am trying to get at.

Mr. CARDIN: A distance of thirty-five miles is yet to be dredged.

Mr. BROWN: How long will it take?

Mr. CARDIN: It depends on the amount of earth we have to take out, but we hope to complete the whole programme in ten years.

Mr. LEWIS: Will this dredging then come to an end?

Mr. CARDIN: Yes.

Mr. BROWN: We have this situation, then: One hundred and sixty miles of the river between Montreal and Quebec has been dredged; there is a stretch of eighty-two miles which owing to its natural formation does not need dredging; a distance of forty-three miles has been dredged; and there remains to be dredged a stretch of thirty-five miles to make this thirty-five foot waterway.

Mr. CARDIN: Those figures are correct.

Mr. McBRIDE: Have any soundings been taken to ascertain whether rock or hard pan will be encountered in any portion of the river not yet dredged?

Mr. CARDIN: Complete soundings have been made and we know exactly what the character of the river bed is.

Mr. McBRIDE: Is there any rock or hard pan?

Mr. CARDIN: There is rock at certain points.

Mr. McBRIDE: What distance of rock or hard pan would there be to dredge?

[Mr. Brown.]

Mr. CARDIN: There is practically solid rock for a distance of about four or five miles.

Sir HENRY DRAYTON: The hon. member (Mr. Forke) asked one question which seemed to me singularly pertinent, and that was as to the reason for the very large increase this year. I think we all ought to be, if we are not, agreed that Montreal is a very important port and that everything that can reasonably be done to maintain it in its position to look after Canada's business should certainly be done. But there does really seem to be some demand on the minister to let us know why we are practically doubling the vote this year, and I have not heard any satisfactory answer so far. I should have thought that the government would now consider it advisable to spend less money in Montreal seeing that they have proposed, as the type of vessel to engage in a service on which they intend to spend some $13,000,000, ships that will not take anything like a draft of thirty-five feet, nor even of thirty-two feet which is now provided. I should have thought that if the government were serious in the matter of the Petersen contract, instead of wanting to spend more money in Montreal they would be cutting down expenses. It does seem to be entirely illogical for the government on the one hand to advance a policy which calls for practically a doubling of this vote this year, looking to the accommodation of big vessels and the development of big business, and at the same time select and subsidize as proper carriers for the St. Lawrence route a type of ship which would render absolutely unnecessary any further improvement in that port. I wonder whether the department has really considered the policy of the Minister of Trade and Commerce (Mr. Low).

Mr. LOW: What about passenger boats?

Sir HENRY DRAYTON: They are also freight carriers; there is no question about that. But the minister might carry his own question logically a little further; he might recognize the fact that the sea is free and that if we have government subventions on the one side and a free sea on the other, it is just questionable what the result will be on the commerce of Montreal. His question, of course, is capable of very easy determination. If the subvention of $13,000,000 is to be given as a plum to Sir William Petersen, then there is no reason why the other boats should not continue in the traffic. If, on the other hand, it is to be used as a means of forcing down earnings to a lower ratio than those made from New York, then the ordinary

answer as to the freedom of the seas would apply. In that case the minister is not at all careful of the business and prosperity of the port of Montreal. I of course do not know what he really intends doing, whether he intends that this should be a bonus of $13,000,000, or whether it should be something which would be made to cut rates so as to produce a lower rate from Canadian ports than from New York ports, whereby he is going to produce such a state of affairs as will render it more advantageous for boats that can go anywhere to run from New York instead of from Canada.

Mr. MACDONALD (Pictou): The hon. member is a member of the committee considering this question. Is he giving judgment now before hearing all the evidence on the subject?

Sir HENRY DRAYTON: I am asking questions. I am not giving judgment. If my hon. friend had listened to what I said, he would not have interjected that question. I am in search of information, and when this question was put to me by the Minister of Trade and Commerce (Mr. Low), I supposed that he wanted an answer. I am answering it to the best of my ability. I come back to my original question: Have the Department of Trade and Commerce and the Department of Marine and Fisheries consulted together in connection with these apparently different governmental policies? Is this question of a subsidy entirely a matter within the glass-box, self-contained Department of Trade and Commerce, or is it something that the Department of Marine and Fisheries have passed upon or are considering in connection with their expenditures? Obviously, they have never given it any consideration as something justifying an increase in this vote. We have a very large increase here. It may be that the increase is right, but I submit in all sincerity that, at the present time before such increases are allowed, the House should at least get full and definite information as to the necessity of the increase.

At six o'clock the Speaker resumed the chair and the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 76 for the relief of Laura Grace Davis.—Mr. Jacobs.

Bill No. 77 for the relief of Alice Brouse. —Mr. Duff.

Bill No. 79 for the relief of Robert Lawrence Anderson.—Mr. Duff.

Bill No. 80 for the relief of Pearl Hibbard. —Mr. Stewart (Leeds).

Bill No. 81 for the relief of William John Taylor.—Mr. Hanna.

Bill No. 82 for the relief of Albert Edward Cottrell.—Sir Henry Drayton.

Bill No. 83 for the relief of Florence May Mott.—Mr. Clifford.

Bill No. 84 for the relief of Ellen Mary Harvey.—Mr. Hanna.

Bill No. 85 for the relief of Stella Florence Brickenden.—Mr. Euler.

Bill No. 86 for the relief of Frank Alexander Michel (otherwise known as Frank Alexander Mitchell).—Mr. Euler.

Bill No. 87 for the relief of Thelma Adeline Rose Hands.—Mr. Jacobs.

Bill No. 88 for the relief of Jean Veronica Margaret Wright.—Mr. Garland (Carleton).

Bill No. 89 for the relief of Ruth Darcy Blinn McCrimmon.—Mr. Shaw.

Bill No. 90 for the relief of Thomas George McElligott.—Mr. Hocken.

Bill No. 91 for the relief of Alvin Wesley Richards.—Mr. Stewart (Leeds).

Bill No. 92 for the relief of Cecil Tanner. —Mr. Rankin.

Bill No. 93 for the relief of Ruth Ellen McGowan.—Mr. Shaw.

Bill No. 94 for the relief of Edith Kearsley Smith.—Mr. Boys.

Bill No. 95 for the relief of James Raymond Armstrong.—Mr. Garland (Carleton).

Bill No. 96 for the relief of Josephine Royant.—Mr. Sheard.

Bill No. 97 for the relief of Gertrude Margaret Burkart.—Mr. Ryckman.

SUPPLY

MARINE AND FISHERIES

The House in committee of Supply, Mr. Gordon in the chair.

Mr. CARDIN: Mr. Chairman, in view of the observations which have been made by my hon. friends opposite in regard to item 219—River St. Lawrence ship channel—and in view of the absence of a number of the members from the district of Montreal, who are most interested in this item, I suggest that the item stand.

Item stands.

To provide for the maintenance and operation of Sorel shipyard, $154,000.

Mr. BAXTER: Is that the same as last year?

Mr. CARDIN: Yes.

Item agreed to.

Lighthouse and coast service—agencies, rents and contingencies, $226,000.

Mr. LUCAS: Will the minister explain the decrease?

Mr. CARDIN: The decrease of $2,000 is due to a readjustment consequent on the retirement of a number of old employees under the Public Service Retirement Act.

Mr. LUCAS: How much was spent last year?

Mr. CARDIN: Up to January 31, 1925, $170,000. I have not the figures to the end of the fiscal year. This vote relates to the operation and maintenance of marine agencies, including salaries and travelling expenses of agents, accountants, district engineer and subordinate personnel. These agencies are in charge of all the lighthouses and buoys controlled by the department along the St. Lawrence river, the Atlantic coast, the Pacific coast and the Great Lakes. The amount is practically all salaries.

Item agreed to.

Salaries and allowances to lightkeepers, $650,000.

Mr. TOLMIE: What is the average salary paid to a lightkeeper?

Mr. CARDIN: There are lightkeepers receiving $2,880, while the lowest salary is $60, depending upon the importance of the light. Where the larger salaries are paid the lightkeeper has to supply the assistants that he needs and pay them out of his salary.

Mr. TOLMIE: What kind of light is that $60 light?

Mr. CARDIN: It is simply a wharf light, attended by the wharfinger.

Mr. WARD: The minister told us a moment ago that item 221 was for salaries, but this item seems to be for the same purpose.

Mr. CARDIN: In this item we are providing for the salaries of lightkeepers only; the previous item covered the salaries of employees at our different agencies throughout the country. These agencies are taking care of placing and maintaining the necessary aids to navigation, and of the steamers engaged in that work. We have agencies in Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Montreal, Parry Sound, Victoria and Prince Rupert. At all these places we have a staff looking after the supplies that are necessary for the lighthouses, the purchase of buoys, and generally looking after the steamers which are employed in the placing of the buoys and aids to navigation. Item No. 222 covers the salaries of the men who are looking directly after the lights, the lighthouses, and the small lights which are placed on wharves at different places.

Mr. WARD: What percentage of this amount is used between the city of Montreal and the city of Quebec?

Mr. CARDIN: There are all counted, 1,133 lightkeepers. I could not say at the moment how many there are between Montreal and Quebec.

Mr. WARD: Perhaps we could go on with another item and the minister could give me that information later. I would like very much to get it.

Item agreed to.

Maintenance and repairs to lighthouses, $825,000.

Mr. THURSTON: How much was spent last year?

Mr. CARDIN: I have only the figures up to the 31st of January, 1925, when $690,000 had been spent. This amount is practically the same every year.

Item agreed to.

Construction of lights and aids to navigation, including regulation of traffic at such places as may be found necessary, revote, $75,000, $525,000.

Mr. KELLNER: Does not the Department of Public Works do similar work to that carried on under this vote?

Mr. CARDIN: No.

Mr. BAXTER: In 1922-1923 this vote was $400,000; it became $500,000 in 1923-1924, and in 1924-1925 it was up to $525,000, and remains at the same figure this year. Are there any new lights being constructed, and what new lights have been constructed during the past year?

Mr. CARDIN: Every year a certain number of new lighthouses are built. The construction of new lighthouses is made upon the recommendation of the lighthouse board. All requests for the construction of new lighthouses are first submitted to this board, whose approval is necessary before construction is gone on with.

Mr. THURSTON: Who are the members of the lighthouse board?

Mr. CARDIN: The deputy minister, the commissioner of lights, the chief engineer, and

the representatives of the shipping federation and the marine association.

Mr. BRETHEN: What is the $75,000 revote for?

Mr. CARDIN: Last year we asked for a vote of $75,000 towards the purchase of a vessel which was to be used as a lightship. No vessel was purchased last year, and we are asking for the amount to be revoted this year.

Mr. BRETHEN: What is this lightship used for?

Mr. CARDIN: It is used at certain places where it is more convenient and less expensive to use a lightship than to build a lighthouse.

Mr. SPENCER: Who is the commissioner of lights?

Mr. CARDIN: Mr. J. G. MacPhail.

Mr. SPENCER: How is he appointed?

Mr. CARDIN: His appointment comes under the Civil Service Commission. He has been in the service a very long time.

Mr. SPENCER: What are his particular duties?

Mr. CARDIN: He has supervision over the whole lighthouse and buoy services.

Item agreed to.

Marine signal service, $100,000.

Mr. BAXTER: This vote has been about stable in amount. I may be wrong, but if it is the one I think it is—I assume it is the under-water signal service, is it?

Mr. CARDIN: No.

Mr. BAXTER: I was not sure from the title. I am not criticizing the vote in any way, but I think a few moments spent in explaining just what it is would not be amiss, because coming as I do from the maritime part of the country it is sometimes well, I think, that other portions of the country should appreciate the need that exists for such services as this.

Mr. CARDIN: This appropriation is to provide for the maintenance and operation of a marine signal service. These signal stations have been established for the purpose of reporting movements of ships, weather and ice conditions, and dangers to navigation generally. The system extends from St. John, N.B., Halifax, N.S., Cape Race, Newfoundland, Belle Isle, up the gulf and river St. Lawrence and on the Great Lakes up to Sault Ste. Marie.

At these different stations the department keeps a man whose duty it is to make reports to those desirous of getting information as to the precise locality where a ship may be at a particular time and as to navigation conditions in that particular area. For example, if a ship is in the gulf, or near Quebec, there may be persons wishing to know at what hour the vessel will reach port. Information of this sort is given to persons interested in the movements of shipping.

Mr. SPEAKMAN: Is there any such service on the western coast?

Mr. CARDIN: We have a similar system on the Pacific coast but it is carried on by the Harbour Commission of Vancouver. A grant is made to the commission for the work it is performing.

Item agreed to.

Administration of pilotage, $250,000.

Mr. TOLMIE: Will the minister state how the administration of pilotage is carried on on the Pacific coast?

Mr. CARDIN: On the Pacific coast there is free pilotage.

Item agreed to.

Maintenance and repairs to wharves, $10,000.

Mr. BAXTER: What wharves are these?

Mr CARDIN: Under the actual prevailing system, after a wharf has been constructed by the Department of Public Works, it comes under the jurisdiction of the Department of Marine and Fisheries, which appoints the wharfinger and also receives the fees paid to that official. This item is to carry out the repairs which may become necessary during the course of the year. Important repairs of wharves are made by the Department of Public Works; but the present item is to meet the cost of small repairs, the necessity for which may arise during the year, and to keep the wharves and surroundings in proper order.

Item agreed to.

To provide for breaking ice in Thunder bay, lake Superior and other points deemed advisable in the interests of navigation, $30,000.

Mr. THURSTON: How much of this vote was spent last year?

Mr. CARDIN: The entire amount was spent and the work was done under contract.

Mr. BLACK (Huron): In what particular locality was the ice breaking done?

Mr. CARDIN: At Port Arthur and Fort William.

Mr. SIMPSON: Who had the contract for the work done last year?

Mr. CARDIN: The Great Lakes Transportation Company.

Mr. SPEAKMAN: Is the same amount paid out each year regardless of the quantity of ice which forms or the length of the ice breaking season?

Mr. CARDIN: Yes.

Mr. SPEAKMAN: Is it based on the average of the work done during a number of years?

Mr. CARDIN: Yes.

Mr. KELLNER: How much earlier is navigation able to start as a result of this ice breaking?

Mr. CARDIN: With the aid of this system navigation is kept open up to the 19th December. But for this work, navigation would have to close in the first days of that month, the season being thereby prolonged for fifteen or twenty days.

Mr. KELLNER: You could not open navigation any earlier in the spring?

Mr. CARDIN: Yes, ice breaking is done in the spring, and as a result the season of navigation is opened at least a week earlier.

Mr. SPEAKMAN: So that the season of navigation is extended by approximately a month as a result of the use of ice breakers?

Mr. CARDIN: About that.

Mr. SPENCER: Can you extend the season of navigation in the fall by the use of the ice breakers?

Mr. CARDIN: That is the main purpose of the ice breaking, and as a result of this work the season of navigation is lengthened by fifteen or twenty days in the fall.

Item agreed to.

Amount required to pay pensions to pilots—Joseph Lapointe, Barthelemi Lachance, Alphonse Asselin, Elzear Desrosiers, Hubert Raymond, Edmond LaRochelle, L. E. Morin, A. T. Simard, Joseph Plante, Victor Vezina, Raymond Baquet, Alfred LaRochelle, Theophile Corriveau, Alphonse Pouliot, Treffle Delisle, Alfred Gaudreau, F. X. Demaules, Adjutor Baillergeon, Joseph Pouliot, Arthur Baillergeon, John A. Irvine, Camille Bernier, Joseph Eugene Lachance, Elzear Normand, Phileas Lachance, Narcisse Lavoie, L. H. Lapierre, J. T. St. Laurent, J. V. Gourdeau, Samuel Rioux, Joseph LaRochelle, Francois Gaudreau, Arthur Koenig, J. Alphonse Lachance, Raoul Lachance, Joseph O. Lachance, Arcadius Jouvin, $11,100.

Mr. BAXTER: Are all the pilots of Canada now on the same basis in the matter of retiring allowances? I think we have a different system of pilotage in the district of St. John. There is a board there, and yet I understand the department has something to say in the administration of the pilotage. I am under the impression that a different system prevails there from the one obtaining in other parts of Canada. I should like to know if I am right or not?

Mr. CARDIN: The Quebec pilotage district is the only one where the pensions are paid by the government.

Mr. BAXTER: How are they paid in St. John?

Mr. CARDIN: Out of the local revenue. No pensions are paid by the government, to pilots in that locality.

Mr. BAXTER: In some respects there must be a difference in administration at St. John. Does the minister know what it is?

Mr. CARDIN: It is very hard to explain just wherein the difference lies. Possibly the conditions there may be worthy of the consideration of the department.

Mr. BAXTER: I think perhaps in part there may be some reason for the special conditions at St. John. So far as the soil is concerned the harbour at St. John is privately owned, it is owned by the corporation. It is not like the other harbours of Canada which, under the British North America Act, passed under control of the federal authorities. I think that for a time there was some idea that fact gave the pilotage of St. John a sort of immunity from all administration which of course had no basis. It seems to me that the efforts that have been made to unify the pilotage service in Canada ought to apply to the pilotage at St. John. I would rather suggest that in place of the existing system a general Dominion fund for the protection of pilots would be better. I have no objection to what is being done at the port of Quebec; but it would seem to me that it would be better to extend the same system to the rest of Canada and have the government take control of the entire service. At one time, perhaps, that idea would have been reprobated because some of the smaller ports were rather jealous of what they thought was federal interference. But I think it would be well to carry out this suggestion for the benefit of the pilots who are not numerous in any port, and are not well paid; in fact they need all the advantages they can derive to repay them for the training they must undergo and for the very arduous services they perform. I

suggest that the minister consider carefully the possibility of treating all alike and having them dependent for their pensions on a single Dominion fund.

Mr. TOLMIE: The minister might compare for the benefit of the committee the system of pilotage practised on the Pacific coast with that on the St. Lawrence river, and explain why pensions are paid in the St. Lawrence service and not elsewhere.

Mr. CARDIN: There is no pilotage organization in the west; the owners of the vessels may engage the services of anyone they like. On the St. Lawrence, however, and in the Maritime provinces it is compulsory on the captain of a ship to have the services of a pilot. On the Pacific coast, the system is an open one; anybody may qualify as a pilot. The two systems therefore are not comparable.

Mr. TOLMIE: Are the pilots on the Pacific coast paid by fees at the rate of so much per ton, or in what way are they compensated?

Mr. CARDIN: They make their own private arrangements with the owners.

Mr. TOLMIE: How are they satisfied with this system as compared with the old one on the Pacific? Are any complaints received by the department under present arrangements?

Mr. CARDIN: We have received no complaints.

Mr. BROWN: Is it a case of trades unionism on the St. Lawrence?

Mr. CARDIN: I do not think so.

Mr. BROWN: There is evidently an association of pilots.

Mr. CARDIN: Yes.

Mr. BROWN: And the position they take is sanctioned by law?

Mr. CARDIN: Yes.

Mr. BROWN: It is provided, I take it, that only those who belong to the association shall be engaged as pilots.

Mr. CARDIN: Yes; they must go through a special training before they can be admitted to the association.

Mr. TOLMIE: Which system is cheaper to the shipping people?

Mr. CARDIN: I do not know; the department has no means of ascertaining what fees the owners pay to the men in the case of private arrangements. And the arrangements may vary according to circumstances.

Mr. TOLMIE: Does the qualified pilot on the Pacific have to pass a governmental examination, or is he simply required to comply with certain qualifications laid down by some association?

Mr. CARDIN: These men are given a certain amount of training and are examined by officials of the department here before being admitted as pilots. That is the system adopted in the east. So far as the west is concerned, the department has nothing to do with any arrangements that are made.

Mr. LEWIS: Why is the government responsible for the pensions?

Mr. CARDIN: It is difficult to state precisely the difference between the two systems. The department has simply continued the practice that has prevailed all along. The suggestion made by my hon. friend (Mr. Baxter) deserves consideration and I am quite ready to look into the matter.

Mr. LEWIS: What is the amount of the pension?

Mr. CARDIN: Three hundred dollars.

Item agreed to.

Allowance to harbour master at Amherstburg, for supervision of lights and buoys on the St. Clair river, the Detroit river and lake Erie, and other services in connection with the lighthouse service for the season of navigation, 1925, $600.

Mr. BAXTER: Have we had this item before?

Mr. CARDIN: Yes, for quite a number of years.

Item agreed to.

Patrol of the northern waters of Canada, $10,000.

Mr. SPEAKMAN: What is the purpose of the patrol, and, in a general way, what localities are covered?

Mr. CARDIN: This is to provide for a compilation of reports from the Canadian Arctic expedition. Approximately ninety per cent of all reports prepared have been published and it is hoped to complete the whole work, including the binding of the volumes for distribution to libraries and universities, before the end of the fiscal year.

Mr. BANCROFT: Is the same course followed every year in the Arctic patrol, or is a new course mapped out for different waters from year to year?

Mr. CARDIN: This work is practically completed, and the appropriation provides only for the compilation of publications in regard to the Canadian Arctic expedition.

Mr. BANCROFT: I suggest that the minister might adopt a new course this year and have a cruise made of Hudson strait in the summer in order to acquire a little more information regarding the feasibility of that undertaking.

Mr. SPENCER: How much of the vote was spent last year?

Mr. CARDIN: There was spent $9,695.

Mr. SPENCER: I notice that in some cases a re-vote is indicated. As all the money was not spent last year under this item, should there not be some mention of a re-vote?

Mr. CARDIN: There is nothing here in the form of a re-vote; the amount not spent was paid back into the treasury.

Mr. SPEAKMAN: The minister stated that this work of compiling data was almost complete. Does that indicate that this service will shortly be discontinued?

Mr. CARDIN: So far as the department is concerned, yes.

Mr. BAXTER: I did not quite get what the minister said. Is this in connection with fisheries, or is it for survey of currents, or for what purpose?

Mr. CARDIN: The object of the expedition was to get information regarding the general conditions there. The reports are related to a certain extent to fisheries.

Mr. BAXTER: When the minister says "there," what does he mean?

Mr. CARDIN: The Arctic.

Mr. BAXTER: But the work is done.

Mr. CARDIN: Yes.

Mr. BAXTER: I notice that in 1922-23 we were paying $15,000 for this work; in 1923-24 $15,000; in 1924-25 $10,000; and this year again we are asked for $10,000. I have no statistics further back than 1922-23. The minister says that the work is all done and that this is merely to provide for the preparation of reports. When all the amounts are so nearly equal as those I have read, I wonder whether they all relate to the preparation of reports, or what differentiates one item from the other. What relates to work and what to reports? I hope we are not surveying the Arctic ocean. We would like to use $10,000 a little nearer home.

Mr. CARDIN: This is the last year that such an amount is going to be asked for. This vote is asked to compile and complete the reports on the Canadian Arctic expedition.

Mr. BAXTER: What practical good are we going to get out of this that will help a soul in Canada?

Mr. CARDIN: I am informed that scientific people throughout Canada attach very great importance to this publication.

Mr. BAXTER: I sympathize with the minister, because I suppose I am springing on him something, perhaps, that he knows as little about as I do. The scientific people may appreciate it very much, but is there any practical value to science? Is anybody going to take a boat into these regions? Are we locating icebergs? Are we gaining territory of any value?

Mr. CARDIN: The department is not contemplating any expedition this year, but is only desirous of closing the matter and completing the publications that are almost ready at the present time.

Mr. BAXTER: I cannot find the relevant item in the Auditor General's report. I have no doubt it is there, but I do not know under what heading to look for it. I fancy if I could find it, my old friend the Printing Bureau would figure very largely and that somebody was being paid for drawing maps. Very likely I would find that the result of this is all stored away in the archives and that nobody ever bothers about it.

Mr. CARDIN: There are in all ninety of these reports.

Mr. BAXTER: How much did it cost for printing them last year?

Mr. CARDIN: Approximately $3,000 was spent last year for printing.

Mr. BAXTER: What did the other $6,000 or $7,000 go for?

Mr. CARDIN: There is the salary of Hon. J. C. Patterson, formerly Lieutenant Governor of Manitoba, $2,400, and Mr. Johansen.

Mr. BAXTER: Who is Hon. J. C. Patterson?

Mr. CARDIN: He was formerly Minister of Militia.

Mr. GRAHAM: As I am one of the old-timers, I might explain.

Mr. BAXTER: I fancy it does not need any explanation.

Mr. GRAHAM: Hon. J. C. Patterson was formerly Minister of Militia, not in a Liberal government, but in another government.

Item agreed to.

Meteorological service, including magnetic observatory grants of $500 each to Kingston and Montreal observatories, and allowance of $400 to L. F. Gorman, observer at Ottawa, $260,000.

Mr. CARDIN: This amount is the same as last year. It is to provide for the maintenance of the meteorological service of Canada.

Mr. GARLAND (Bow River): Is any other department carrying on meteorological work?

Mr. CARDIN: I do not know of any other department.

Item agreed to.

Steamboat inspection, $119,210.

Mr. CARDIN: This is to provide for the inspection of steamboats in accordance with the provisions of the Canada Shipping Act. Under the provisions of this act the Governor in Council may make regulations for the testing of boilers and construction and working thereof, for the inspection of hulls and equipment of steamboats, also for the inspection of machinery and equipment of steamboats, and for the examination and certification of steamboat engineers. Provision is also made for the appointment of competent inspectors for these purposes.

9 p.m.

Mr. WARD: Do the steamship owners not pay for this inspection themselves?

Mr. CARDIN: They do.

Mr. WARD: Is this large vote refunded to the government?

Mr. CARDIN: The department collects fees for the inspection of steamboats and boilers from the owners of the ships.

Mr. WARD: Is that plus the item that we are considering here?

Mr. CARDIN: The department pays the salaries of the men who are carrying on the work, making these inspections of boilers, hulls and equipment, and collects the fees. These inspectors are departmental employees.

Mr. LEWIS: To whom are the fees paid?

Mr. CARDIN: To the Receiver General.

Mr. GARLAND (Bow River): Does the total amount of fees collected equal the sum mentioned in this item? If not, what is the difference?

Mr. CARDIN: The department has a small balance to its credit at the end of the year.

Mr. GARLAND (Bow River): What was the total amount collected?

Mr. CARDIN: The figures show only the period from the 1st April to the 1st October, during which period the department received $81,741.

Mr. GARLAND (Bow River): What is the idea of not having them made up on the same basis as the estimates? The minister states that $81,000 is the amount collected in fees prior to the 1st October.

Mr. CARDIN: Up to October 1.

Mr. GARLAND (Bow River): How much will be collected between October 1 and March 31?

Mr. CARDIN: I am informed it will be between $40,000 and $50,000.

Mr. McBRIDE: I think the hon. member can rest assured that the government charged the steamboat owners every dollar they could get out of them.

Mr. GARLAND (Bow River): I presume it is a steamboat owner speaking.

Mr. TOLMIE: Mr. Chairman, with regard to the steamship inspectorship at Victoria, British Columbia, this position was filled very ably by a Mr. Cullum for a number of years. He died a short time ago. I understand that just before his death he had in preparation an application for a retiring allowance or pension such as is usually given to government officials, but owing to the fact that he never completed it his widow has been unable to secure the benefits that she would otherwise have been entitled to. This is a very responsible position indeed, and in the course of his work he inspected steamships that were carrying thousands of passengers in and out of British Columbia ports every year. Under the circumstances, I think it is most unfortunate that his very deserving widow and family should suffer as the result of his slight negligence, and I would commend to the attention of the minister the advisability

of taking a charitable view of the matter in order to see if it is not possible to arrange for the widow to receive what her husband would have received had he completed the pension application before his death.

Mr. CARDIN: This question has been discussed between the officers of my department and the Department of Finance. No decision has yet been arrived at, but I can assure my hon. friend that I am very sympathetic to the representations he has made.

Item agreed to.

Civil government—Marine and Fisheries—salaries $484,720, contingencies, $95,000.

Mr. CARDIN: This appropriation is to provide for the salaries of the staff of the department at headquarters, numbering all told 245, being eleven less than last year and thirty-four less than the year before. This item is $12,280 less than last year and $41,120 less than the year before, in spite of the fact that the statutory increases last year amounted to $20,000 and this year to $8,100. These reductions have been accomplished by the abolition of positions as they became vacant or by reversion to minimum salaries.

Mr. GARLAND (Bow River): What are the duties of the director of radio service? I notice he has quite a substantial salary. I presume the position is a very responsible one and the duties onerous. Would the minister outline them?

Mr. CARDIN: The position of the director of radio service is a very important one indeed because he has to shoulder all the responsibilities of the radio branch of the department. As my hon. friend will understand, fresh developments are taking place every day in radio, and, as I stated yesterday, the department is establishing new stations from time to time to look after navigation and commercial matters. The director is an expert.

Mr. GARLAND (Bow River): What are his duties?

Mr. CARDIN: He is the expert adviser of the department; nothing is done in this branch without having been first submitted to him, and he is in charge of the whole service. Men of his experience are not very numerous in this country.

Mr. SPENCER: I notice there is one Dominion wreck commissioner. What are his duties?

Mr. CARDIN: He conducts inquiries into shipping accidents and makes reports thereon to the department.

[Mr. Tolmie.]

Mr. SPENCER: I notice he is paid a pretty good salary. How many times last year was he called on to conduct inquiries into wrecks?

Mr. CARDIN: He is busy practically all the time. The duties of this branch of the service were described yesterday when the House passed an item in regard to the Dominion wreck commissioner.

Mr. SPENCER: How many wrecks took place on the coast of Canada last year?

Mr. CARDIN: In the course of last summer the commissioner held thirty-two inquiries.

Mr. BAXTER: I do not know who hold the positions I am going to refer to, and I make no reflection whatever on the gentlemen who do. But I notice we have one chief naval architect, $5,400; one assistant naval architect, $3,420; two assistant architects, $2,580 each, a total of about $14,000. I was not aware we were building anything like a ship each year, or that we had been doing so for the last two or three years. Lighthouses would hardly seem to come within the scope of the duties of a naval architect. If they were set well out in the water I suppose there would be a general plan and it would not be difficult to have them built by ordinary masons or carpenters. Possibly this is a survival of the time when the department was struggling with the construction of Noah's ark and these men have been kept on the payroll ever since. There may be something really useful for them to do, but I shall be glad to have it explained.

Mr. CARDIN: The chief naval architect is Mr. Duguid. He has to look after any new construction and supervise all repairs.

Mr. BAXTER: I do not mean the repairs. Here are four other gentlemen in the same category; what architectural work is going on?

Mr. CARDIN: The naval architect has to prepare the designs of all repairs when designs are necessary, to look after all new construction, and to supervise the work. Besides he is practically the adviser for all the departments when they have to buy vessels, including the Canadian National Railways.

Mr. BAXTER: What have we built in the last three years in the way of naval architecture, and what has it cost? I am not suggesting that anybody be thrown out of a position, but there cannot be naval architectural work for so many men, and I suggest they might usefully be transferred and take

up other duties. If this were the Department of National Defence I could understand that four men could rebuild the navy in about a year, but it is the Department of Marine and Fisheries; and I was under the impression that boats were bought ready-made and that repairs were generally done by contract. I cannot think that ordinary repairs would require any special drafting by a naval architect, who, I understand, is a man concerned with original construction. The repairs must really be a small matter.

Mr. CARDIN: It is true we have not in recent years done any important construction work. But these employees have been in the service a long time and in past years very important construction work was done in the department. Practically all the dredges used on the St. Lawrence ship channel were built by the Department of Marine and Fisheries and designed by the naval architect.

Mr. BAXTER: The minister is under the impression that I am directing my remarks to the chief naval architect. Not at all. I do not know who they are, but I am referring to four, all told—the chief, the assistant chief, and two assistant naval architects.

Mr. CARDIN: There is only one assistant to the chief naval architect. The others are in the lighthouse branch.

Mr. GARLAND (Bow River): I would ask the minister and the committee to cast their eyes over the following items:

1 Director of radio service,..	$4,500
1 Division superintendent of radio service..	3,480
1 Radio electrical engineer..	2,880
1 Senior radio inspector..	2,700
2 Radio inspectors, one at $2,200 and one at $1,980..	4,200
1 Junior radio electrical engineer..	2,040

Making a total, roughly, of $20,000. Frankly I had no conception that the radio activities of this government had extended so rapidly as to justify an expenditure of this kind. I do not know whether or not the radio is going to be used for election purposes in the next election. I do not know what it is being used for to-day beyond the broadcasting of market reports, time signals, and other matters. There may be some justification for it; I do not want to be over-critical. But $20,000 seems to be an enormous sum of money for this country to be spending on radio in salaries only.

Mr. McBRIDE: From practical experience on the Pacific coast I know that this money is well spent. Anybody who has ever been connected with the steamboat business knows full well the value of the service that is given in this connection. A boat which has not wireless equipment may get into difficulties up north yet some other boat which has the equipment can report to Vancouver so that assistance can be rendered; and if an accident has taken place it can be found out and help given. In that way a vessel can be put in touch with almost any part of the coast whether it has radio connections or not. It is a very important service, and those who have been connected with sea life appreciate it more than I could find words to express.

Mr. GARLAND (Bow River): Now that the acting minister has answered, perhaps the minister would give us some information. I have no doubt that my hon. friend (Mr. McBride) has some intimate knowledge of the matter and I do not in the least dispute his contention; no doubt a great deal of good service has been rendered. But the men mentioned here are not the men who are broadcasting the messages at sea, picking up S.O.S calls and that sort of thing from ships on the Pacific ocean.

Mr. McBRIDE: They are picking them up from the stations.

Mr. WARD: Is it not a fact that all steamships of any consequence carry their own wireless apparatus? Are these government radio stations necessary for the protection of shipping and the like?

Mr. CARDIN: The department must control receiving stations in order to pick up the messages that come from the steamships. It is true these men are not operating the stations owned by the department all over the country, but they have to see to the construction of all our stations, draft all the designs, arrange to get the materials, and supervise the work. Further, they have to see that the stations are kept in proper order and up to date, so far as new developments are concerned. Having regard to the responsibility attached to their work and the importance of this branch of the service, which is increasing every day, I think these men deserve the salaries they receive.

Mr. GARLAND (Bow River): I am not complaining of the salaries, but of the number of officials and superintendents. I think technical men ought to be paid in regard to their ability, but I fail to see the justification for all these officials. The minister might take a leaf out of the book of the Minister of Railways. I do not think the Canadian

National Railway system carries a staff of experts of this size, and they are doing probably just as much broadcasting as this department.

Mr. SPENCER: In how many places are these radio stations installed, and in what parts of Canada?

Mr. CARDIN: The department has 20 stations on the east coast, 9 on the west coast, and 8 on the Great Lakes.

Mr. SPEAKMAN: Have these officials any duties to perform in connection with the supervision or inspection of private radio, in addition to the government service?

Mr. CARDIN: Yes.

Mr. TOLMIE: Would the minister give the location of these nine stations on the Pacific coast?

Mr. CARDIN: Alert Bay, Bull Harbour, Cape Lazo, Dead Tree Point, Digby Island, Estevan, Gonsales Hill, Point Grey and Pachena Point.

Mr. DOUCET (Translation): Would the hon. minister state where the stations on the Atlantic are located?

Mr. CARDIN: Belle Isle, Point Amour, Cape Race, Grindstone Island, Fame Point, Clarke City, Father Point, Grosse Isle, Quebec, Montreal, Cape Sable, Camperdown, Sable Island, North Sydney, Halifax, Heath Point Lightship, Lurcher Lightship.

Mr. TOLMIE: What are the duties of the director of pilotage, and what territory does he cover?

Mr. CARDIN: He has charge of the entire pilotage service in the St. Lawrence and the gulf and on the Atlantic coast, but has nothing to do with pilotage on the west coast.

Mr. WOODSWORTH: Have these inspectors any supervision over the stations maintained by the Canadian National Railways?

Mr. CARDIN: Yes.

Mr. WOODSWORTH: Is there any correlation between the stations of the Canadian National and the stations maintained by the Department of Marine?

Mr. CARDIN: The department supervises the stations of the Canadian National; these are broadcasting stations. This department has no broadcasting stations, simply wireless telegraph stations.

[Mr. E. J. Garland.]

Mr. KENNEDY (Edmonton): Is there a wireless station at Fort Vermilion in the province of Alberta? I had some correspondence with three departments about a year ago regarding this matter. I wrote first to the Minister of the Interior; he referred me to the Minister of Public Works. I wrote to the Minister of Public Works; he referred me to the Department of Marine and Fisheries. I wrote to the Department of Marine and Fisheries, and was referred back to the Northwest Territories branch of the Department of the Interior. This may not be the right time to take this question up, but I would ask the minister if a station has been established at Fort Vermilion, or if it is the intention to do so, or if the department is studying the question at all.

Mr. CARDIN: The Department of Marine and Fisheries has no station at that place. If one has been established there, it may have been by the Department of National Defence or the Department of the Interior.

Mr. KENNEDY (Edmonton): The application in the first place was for a telegraph line, and I understand the suggestion was made that a wireless station connecting up with the wireless station at McMurray and the Yukon would be more efficient and more economical. The people residing at Fort Vermilion were under the impression that a wireless station would be established there, and I just wanted to get a statement from the minister regarding that.

Mr. CARDIN: That is probably under the control of the Interior department.

Mr. KENNEDY (Edmonton): Has the Interior department anything to do with wireless or is it entirely under the control of the Marine department? The point is, if wireless is to be established in preference to a wire line, the Department of Marine and Fisheries, I suppose, is the one that will have to handle it.

Mr. CARDIN: Logically that may be, but I am told the Interior department is operating three stations independent of the ones my department is operating. I admit there is a possibility of amalgamation there.

Mr. SPENCER: Have the radio men who are employed by the Department of Marine and Fisheries anything at all to do with the stations under the jurisdiction of the Department of the Interior?

Mr. CARDIN: No.

Mr. SPENCER: Have any other departments radio stations?

Mr. CARDIN: The Department of National Defence have no station, but they have some radio sets for their own use.

Mr. SPEAKMAN: In that case the supervision of the officers of this department extends only to stations under its immediate control and over privately operated radios, but does not include the radios that may be established by other departments.

Mr. CARDIN: That is right.

Mr. SPEAKMAN: They would be entirely under the supervision of their respective departments?

Mr. CARDIN: They are independent.

Mr. SPENCER: These other departments would have radio experts of their own?

Mr. CARDIN: The Interior department has no radio experts. Very often they depend upon our experts, and the experts of the Department of National Defence.

Mr. SPENCER: I understood the minister to say a minute ago that the Department of National Defence has no experts.

Sir EUGENE FISET: The hon. gentleman is under a misapprehension. The Department of National Defence have a certain number of officers who are trained experts in wireless and radio—telegraphy, and there is in the department a certain number of portable sets that are used for training purposes in camp or elsewhere. But the Department of National Defence have no permanent stations such as the Department of the Interior and the Department of Marine and Fisheries have.

Mr. SPENCER: What I am trying to find out is whether there is any interlocking or overlapping between the different departments?

Sir EUGENE FISET: There is none.

Mr. MILNE: Has the department a system of wireless telegraphing as well as a system of wireless telephoning?

Mr. CARDIN: Yes.

Mr. MILNE: With the same experts?

Mr. CARDIN: Yes.

Mr. WOODSWORTH: What is the work of the superintendent of harbour commissions?

Mr. CARDIN: This officer supervises all the works carried on in the different harbours, and checks the payments made by the commissioners out of advances voted by parliament. The various harbour commissions have to make reports to the Department of Marine and Fisheries, of all the disbursements they have made, and this official checks these expenditures.

Mr. WOODSWORTH: Then as I understand it the harbour commissions of Montreal, Halifax and Vancouver report to him?

Mr. CARDIN: They report to the department, and this officer is charged with the checking of all these reports.

Mr. WOODSWORTH: Does he have anything to do with the estimates of the expenditures of these commissions?

Mr. CARDIN: No.

Mr. WOODSWORTH: Then the work he does is merely clerical?

Mr. CARDIN: He acts more or less as an auditor.

Mr. WOODSWORTH: The accounts come in from the different commissions and he audits these accounts?

Mr. CARDIN: Yes.

Mr. WOODSWORTH: Why is it necessary to have any other than a competent auditor to do this work?

Mr. CARDIN: It is practically an auditor's work he is doing. He audits the accounts and books for the different harbour commissions.

Mr. LUCAS: I notice considerable increase in his salary this year.

Mr. CARDIN: His position has been reclassified by the Civil Service Commission.

Mr. KELLNER: Is this the vote on which the harbour commissions can be discussed?

Mr. CARDIN: No.

Mr. GARLAND (Bow River): Does the gentleman referred to make trips, we will say, to Vancouver, Halifax and Montreal? I should imagine that would be necessary if he is properly auditing the books?

Mr. CARDIN: Yes. His duties take him to those cities.

Mr. GARLAND (Bow River): In other words, this man simply holds the position of auditor. Is that correct?

Mr. CARDIN: Yes.

Mr. GARLAND (Bow River): I was wondering at the glorified name he has. Would it not be just as well to put him down as auditor of the department? If that were done it might hurt his dignity but it would not confuse members of the House.

Mr. CARDIN: The title in question is given to this office under the classification made by the Civil Service Commission.

Mr. GARLAND (Bow River): I really must take exception to the continued practice of ministers of blaming everything on the Civil Service Commission.

Mr. CARDIN: I do not blame the commission; this classification is made in accordance with the law.

Mr. GARLAND (Bow River): May I submit to the minister that before anything is done by the Civil Service Commission in his department he passes upon it?

Mr. CARDIN: I cannot agree with my hon. friend in regard to that.

Mr. GARLAND (Bow River): Well, the minister has the right to do it. Does the minister deny he has that right?

Mr. CARDIN: I contend I have no right to interfere with the decisions of the Civil Service Commission. They are the ones who decide in the end; the decision rests in their hands.

Mr. GARLAND (Bow River): Will the minister suggest for one moment that the Civil Service Commission has ever refused to accept a recommendation of his own?

Mr. CARDIN: I have never had that experience, because I have always respected the desire and the will of the Civil Service Commission.

Mr. COOTE: May I ask the minister whether we will have any other opportunity to discuss the work of the harbour commissions, particularly the Vancouver Harbour Commission, or should the discussion take place under this vote?

Mr. CARDIN: I regret that it cannot be done under these estimates. Usually the work of the harbour commissioners is discussed when they ask for a loan or advance of money from the government.

Mr. COOTE: I understand they are not asking for any grants this year?

Mr. CARDIN: One never knows

Mr. COOTE: There certainly should be opportunity for some discussion in the House this year. I would think we would have a right to have that discussion now but perhaps this is not the proper time. I therefore ask the minister whether we will have some other opportunity for such a discussion as I have indicated?

Mr. CARDIN: I think there will be an opportunity of discussing these matters before the close of this session.

Mr. COOTE: The minister is not very positive. I wonder if he will not give us some assurance?

Mr. CARDIN: I am pretty sure there will be an opportunity for discussion.

Mr. COOTE: It is a very important matter and I think we should have the positive assurance of the minister that opportunity for discussion will be afforded later on. If not, we will attempt to discuss the matter now.

Mr. GRAHAM: Could the discussion not take place on the Grain Act when it comes before the House?

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: Yes, that is the point my hon. friend has in view. If I am correct he wants to discuss the conduct of the harbour commission as it affects the handling of grain to a large extent.

Mr. COOTE: Particularly as it affects the handling of grain.

Mr GRAHAM: That would come in I think without question when we are discussing the Grain Act. I think there would be full opportunity then.

Mr. COOTE: I should like to have the assurance of the minister that we would have some opportunity.

Mr. CARDIN: Oh, you will get it.

Mr. SPEAKMAN: Is there any item in the estimates for the payment of salaries to officers of harbour commissions?

Mr. CARDIN: No.

Mr. SPEAKMAN: Are they not paid?

Mr. CARDIN: They are not paid by the government; they are paid out of the revenues of the harbour.

Mr. SPEAKMAN: I was quite aware they were paid indirectly, but I thought they were paid just as inspectors are paid. For instance where fees are charged for a particular service those fees are paid into the account of the Receiver General and the salaries are paid from that fund. In this case salaries are paid out of the revenues of the harbour, are they?

Mr. BANCROFT: The harbour commissioners are like members of parliament are they not?—they pay themselves.

Mr. SPEAKMAN: I may point out there is a difference in that respect. Our indemnities are paid by a vote of the House of Commons and therefore we can discuss our own actions under that vote.

Mr. COOTE: I think it was stated in answer to a question by the hon. member for Vancouver Centre (Mr. Stevens) that the government had an engineer superintending or inspecting building of the new elevator at Vancouver. Under what estimate would that engineer's salary come?

Mr. CARDIN: I am sure the answer given was that the department had no engineer inspecting the work. As a matter of fact there is none.

Mr. COOTE: Then I am under a misapprehension. I thought the answer stated that you had. I should like to ask the minister a question with regard to a bond for $321,000 which was given by the contractor for the completion of two ships at Prince Rupert some years ago and which, up to a year ago had not been paid by the bond company. Has this bond been collected?

Mr. CARDIN: Collection has not been made. Proceedings to collect the amount are still pending in the courts.

Mr. COOTE: Has the government taken action against this company for recovery of the money?

Mr. CARDIN: My department has handed the matter over to the Department of Justice.

Mr. COOTE: How many years has the country been out this money?

Mr. CARDIN: Since about 1918.

Mr. COOTE: Can the minister give us a satisfactory explanation as to why it has not been collected yet?

Mr. CARDIN: The department handed the case over to the Department of Justice a long time ago but so far no decision has been given. The matter is still pending.

Mr. COOTE: When was the matter handed over to the Department of Justice?

Mr. CARDIN: Nearly two years ago.

Mr. COOTE: It seems to me that the department has been very lax in this matter and is certainly open to criticism. Will the minister give his opinion as to whether the money will ever be collected.

Mr. CARDIN: I really hope that the collection will be made; but it is wholly dependent on what the decision shall be.

Mr. COOTE: I presume that the minister's hope is the best we can look for.

Mr. CARDIN: My hope is based on my own conviction, but I do not know what the decision of the Department of Justice will be.

Mr. SPENCER: Did the minister's department ever request the Justice department to hand down its decision, or did it ever remind them of the matter?

Mr. CARDIN: The matter was submitted to the Justice department with a request that proceedings be taken.

Mr. SPENCER: Have you requested a decision?

Mr. CARDIN: I have not the exact details, but I know that the matter was submitted to that department and their decision is still pending.

Mr. COOTE: The Department of Marine and Fisheries cannot disclaim all responsibility even though it has submitted this matter to the Department of Justice. In private concerns, if after two years a lawyer had been unable to report results his clients would not fail to prod him regularly. Is this money collectable or are we to abandon all hope of getting it? I am afraid the department has forgotten about it and that no attempt will ever be made to collect it. If the bond is collectable, why has it not been collected? Was some mistake made in the drawing of the bond so that the money cannot now be collected? The committee is entitled to a frank statement from the minister. I realize that this happened before the present minister came into office, but I think that an explanation is due the committee and the country of the delay there has been in attempting to collect this money. What is the use of paying for a bond if we do not make some real attempt to collect the money when the bond is in default?

Mr. CARDIN: My department has done all that it could. The officers were under the impression that the money could be recovered, and, as I have said, they have placed the matter in the hands of the Justice department and are now awaiting its decision.

Mr. LUCAS: I see that provision is made for an overseer. What are his duties?

Mr. CARDIN: He supervises the operations of all vessels belonging to the department.

Mr. LEWIS: There is a senior inspector of fog alarms. What does he do?

Mr. CARDIN: He has charge of all fog alarms throughout the country. These alarms are very expensive pieces of machinery and he has entire supervision over all of them.

Mr. TOLMIE: What are the duties of the superintendent of masters of seamen?

Mr. CARDIN: He deals with all questions affecting seamen generally; everything related to seamen comes under his jurisdiction and control.

Mr. TOLMIE: What provision is made for life saving off the west coast of Vancouver Island and off the entrance to the straits of Juan de Fuca?

Mr. CARDIN: The department controls a life saving station at Bamfield creek and another one at Clayoquot. The department also directs what is known as a patrol from Bamfield to Pachena. It was understood yesterday that this item would stand at the request of the hon. member for Vancouver Centre (Mr. Stevens).

Mr. TOLMIE: How are those stations manned? What is the nature of the vessels? How many men are there at Clayoquot and Bamfield creek?

Mr. CARDIN: At Bamfield, there are one, a coxswain, one engineer, seven boatmen and one cook. At Clayoquot there are one coxswain, one engineer and eight boatmen.

Mr. TOLMIE: Are any of the vessels of the Canadian navy engaged in this work?

Mr. CARDIN: During the winter time they are operating in conjunction with my department in this work.

Mr. TOLMIE: What is the nature of those vessels?

Mr. CARDIN: They are of the trawler type.

Mr. TOLMIE: About how fast would they steam against a good stiff wind off the Pacific coast, say a forty or fifty knot gale?

Mr. CARDIN: I am not in a position to state.

Mr. TOLMIE: What is the normal speed under the most favourable condition?

Mr. CARDIN: About twelve knots per hour.

[Mr. Lucas.]

Mr. TOLMIE: I thought it was about nine.

Mr. SPEAKMAN: I notice we have in this item a private secretary at $3,360, a secretary to the executive at $1,860 and $600 allowance for secretarial duties in the minister's office. What is the difference between the duties of a private secretary and a secretary to the executive?

Mr. GRAHAM: Under the act a minister can bring his own private secretary with him, but that private secretary, if not a member of the civil service, retires with the minister unless some other minister accepts him. In addition to that, the act provides
10 p.m. that each minister can, without reference to the Civil Service Commission, bring in one called the secretary to the executive and one or two stenographers with, I think, two grades. These are not subject to the Civil Service Commission and they likewise go out with the minister. The duties of private secretaries are well known. In many departments the reason why this was allowed was that one private secretary was not able to cope with the work, and under the act the minister was allowed to bring in another called the secretary to the executive whose duties are any duties that may be provided by the private secretary.

Mr. SPEAKMAN: He is really an assistant to the private secretary.

Mr. GRAHAM: Largely so. The minister can adjust the duties and services of the private secretary and the secretary to the executive in almost any way.

Mr. SPEAKMAN: Although these secretaries appear under the heading of civil government and are paid out of this vote, they are not subject to the Civil Service Commission?

Mr. GRAHAM: No.

Mr. SPEAKMAN: The mere fact that they appear under this vote does not mean that they are under the Civil Service Commission?

Mr. GRAHAM: No.

Mr. TOLMIE: Referring for a moment to our life-saving provisions on the Pacific coast, I am informed that these trawlers, owing to their lack of power, are inadequate for the purpose in the wintertime; that they can steam only about four knots against a gale; that they have been quite powerless in a gale on a lee shore; that they would have great difficulty in lowering boats under bad weather conditions. I would like to call the attention

of the minister to conditions that prevail on the west coast during certain seasons of the year. That particular section of the country has had a number of very serious wrecks in years past, and there has been a great loss of life owing to the fact that no proper provision has been made. In a matter of life and death like this, the government should provide adequate vessels in sufficient numbers to be a real protection.

Mr. SPENCER: I notice in this list there are nine accountants or account clerks, one audit clerk and numerous clerks. What is the difference between these positions? Why are some called account clerks and others audit clerks?

Mr. CARDIN: I can only repeat that these titles are those which are ascribed to the positions by the Civil Service Commission. Very often the difference between the duties is slight.

Mr. SPENCER: I see that the services of one storekeeper have been dispensed with and that no money is allowed for him this year. How has it been possible to do away with this position?

Mr. CARDIN: Readjustment of duties amongst the other employees has rendered possible the abolition of this position. The duties are performed by other employees in the department.

Item agreed to.

Fisheries—salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protection service, $880,000.

Mr. DOUCET (Translation): Would the hon. minister inform us if his department has considered a resolution adopted on June 17, last, by the committee of Marine and Fisheries in connection with the lobster fishing season in the straits of Northumberland. This resolution recommends that the lobster fishing season begins August 6 instead of August 16?

Mr. CARDIN (Translation): I cannot offhand give a precise answer to the question of the hon. member; however, if such a resolution exists in the department, I am satisfied that it will receive due consideration.

Mr. GARLAND (Bow River): Mr. Chairman, I understand some discussion has taken place as to the actual merits of fish hatcheries and the stocking of streams. Is an investigation into this matter under way?

Mr. CARDIN: Complaints have been made to the department, but no definite stand has been taken because no specific proposal has been made to displace the present system. The biological board has received instructions to investigate the whole system and report thereon.

Mr. KENNEDY (Edmonton): I noticed an article in the press a short time ago regarding Lesser Slave lake in Alberta, according to which an attempt is being made to save the white fish business there by reducing the annual hatch. Of course this means the curtailment of the industry. Is there any possibility of increasing the number of white fish by artificial means, or is it too expensive?

Mr. CARDIN: Representations have been made to the department, and if I remember correctly the annual catch has been reduced to 650,000 pounds. The department thinks the best means of protecting the fishery is by limiting the catch and enforcing a close season.

Mr. KENNEDY (Edmonton): Is there any possibility of establishing a hatchery or replenishing the supply of fish by any other means than simply limiting the catch?

Mr. CARDIN: In view of the fact that representations have been made to the department that our hatchery system is defective, it is very hard to give an answer before the report of the biological board, which is in charge of the investigation, has been received.

Mr. KENNEDY (Edmonton): Where is the nearest hatchery to Lesser Slave lake?

Mr. CARDIN: The Banff hatchery.

Mr. GARLAND (Bow River): According to a rumour that is going the rounds with respect to the methods adopted by the Fish Culture branch, it would appear that during a certain season a river was stocked with trout, and some time subsequently it was stocked with bass, with the result that most of the trout were devoured. Is there any truth in the rumour?

Mr. CARDIN: The information is that these waters have not been stocked with bass.

Mr. GARLAND (Bow River): Well, were they stocked with some other fish that were not exactly friendly to the trout?

Mr. CARDIN: Nothing of the kind has come to the knowledge of the officers of the department.

Mr. GARLAND (Bow River): I would suggest to the minister that it might be advisable for him to look into the matter. Stories are circulating that that actually took place.

Mr. BANCROFT: If we are discussing fish hatcheries under this item, I would ask the minister if anything has been done to replace the hatchery on the Dauphin river that was burned down?

Mr. CARDIN: No decision has been reached because, having received complaints about the whole hatchery system, the department hesitates to take any further steps until the report of the biological board, which is now conducting an investigation, is at hand. If the system is wrong, of course the department will not undertake the construction of new hatcheries.

Mr. BANCROFT: In that connection, I might say that the people up there think that before the hatchery is rebuilt there should be a conference between the officials of the department, the fishermen and the fish companies as to where the new hatchery should be located, so they may all be satisfied that the best location has been selected. It is generally thought that some other spot on the lake would be much better adapted for a hatchery than the old site.

Mr. CARDIN: I will make a note of the hon. member's recommendation.

Mr. McQUARRIE: What is the personnel of the biological board?

Mr. CALDWELL: While the minister's assistant is looking up that information I have a question to submit. I did not know that the subject of hatcheries came under this vote.

Mr. CARDIN: It does not.

Mr. CALDWELL: Might I ask what progress has been made with respect to changing the location of the Sparkle fish hatchery, so-called, on the Miramichi river? This matter has been under investigation by the department, I understand, and it has been decided that there is not enough water at that point to supply a hatchery. I was informed, I think about six months ago, that a new hatchery was to be established on Simpson's brook, where there is a better water supply.

Mr. CARDIN: I am informed that no decision has yet been reached in regard to this matter.

Mr. CALDWELL: I think I have a letter on my file from the minister, or someone in his department, saying that a decision had been reached, and they were only waiting to secure a suitable site from the provincial government before constructing the hatchery. That was six months ago. We had hoped that the hatchery would have been constructed in time to take care of the hatching of fry this spring.

Mr. CARDIN: I have no recollection of such a letter. The officers who are with me to-night inform me that no definite decision has been reached. However, I will make further inquiries and let my hon. friend know next week.

Mr. CALDWELL: There is another item that does, however, come under this vote—the salaries of temporary guardians who are put on in the summer for fish protection work. I have urged upon the minister before that these salaries should be increased, and as one of the members of this House who believe in economy my suggestion possibly may not seem just in line with my belief. The salaries of these men should be increased. In my province at least, in order to carry on this work they must in some cases camp thirty or forty miles from a settlement, must transport their own food, build their own shelter, furnish their own boat, be ready for duty day and night—and all this at the magnificent rate of $2 or $2.25 a day. I do not think we can expect to get very good service at that rate of pay. The men give better service, no doubt, than they are paid for; at the same time we cannot get the best class of men or expect the best service when the remuneration is inadequate. Has the minister considered the question of increasing the pay of these guardians?

Mr. CARDIN: To increase their pay would mean a very large expenditure, because a considerable number of guardians are spread all over the country. The department is always afraid to come to parliament and ask for increases in the salaries of employees. But I am free to admit that, personally, I take a sympathetic attitude toward the views of the hon. gentleman. I realize that a good many of these guardians are rendering efficient service, are faithfully carrying out the important duties assigned to them, and are deserving of the consideration of the department. This matter is not closed, and I can assure my hon. friend that I am quite ready to look into it. I agree that his remarks are worthy of consideration.

Mr. CALDWELL: How many of these temporary guardians are there? The minister mentions his fear of asking for money to increase the pay to these men, but I notice he is not very bashful about asking us for $16,000,000 to carry on dredging as to the necessity for which we are not all agreed. I do not think that is a valid reason. Those who live in the inland

provinces hardly realize the importance of our fisheries, and this is a branch of the service that must not be allowed to starve for want of efficient men to carry it on.

Mr. CARDIN: The number of guardians is 423.

Mr. CALDWELL: How much would it cost to increase their pay by $1 a day, which would even then be a small wage? What is the average period of service of these temporary guardians?

Mr. CARDIN: From two to four or five months.

Mr. CALDWELL: An average of about ninety days. Possibly some hon. members do not appreciate this feature of it: we have immense fisheries off the coasts of these provinces. The salmon, for instance, do not breed in the salt water but must go well up the fresh water streams to the cold brooks to spawn and thus propagate the species. In some cases poachers fence the river with hen wire fencing so that the fish cannot ascend. The system is to build a cage covered with this wire netting, anchor it in the middle of the stream and run out wire fences each way to the shore so that the fish are caught on the way up; and from these cages they are taken out by the wagon load. This has been done in more than one instance and in more than one river in New Brunswick. If it continues, the fisheries along the coast will be destroyed, because the fish will be unable to get up to the fresh water brooks to spawn. Our fisheries off the coasts of New Brunswick and Nova Scotia are something immense. It would be interesting to hon. members to examine the statistics for the past year. I do not know what the statistics of the department indicate, but it is my impression that the value of the fisheries is decreasing, due to the very things of which I speak. These guardians are required to traverse the streams in this wilderness country at a great distance from civilization, in some cases taking their lives in their hands, because sometimes these poachers are fairly desperate men; there was one murder committed on the north shore of New Brunswick, the victim being a fishery guardian, and I do not think the murderer was ever apprehended. These guardians need to be men of nerve and resourcefulness. They are asked to furnish their own boat and blankets, to carry their own food, to build their own camps, practically to spend day and night in this service—all at the magnificent rate of $2.25 a day. It is not reasonable at all. I do not think I am often heard in this House advocating an increase of pay for anybody, but this is one case where we are not getting the service because we are not giving enough pay; and so long as the pay is so inadequate we cannot expect anything else.

Mr. MICHAUD: Mr. Chairman, citizens in Madawaska county, in New Brunswick have organized a club comprising actually more than 200 members. They requested the hon. Minister of Marine and Fisheries to appoint an inspector for Madawaska county. The minister assured us that the request of the members of the club would receive special consideration. I trust that he will not forget.

As to the salary paid to those fish wardens. I may state that it is too small. Many of them work for $2 or $2.25 a day. I share the views of the hon. member for Victoria and Carleton (Mr. Caldwell) and I trust that they will be better treated in the future. Moreover, I hope that we shall have an extra fish warden appointed to watch over all the rivers of Madawaska county.

Mr. CARDIN: I shall not fail to give my best consideration to the request of the hon. member for Madawaska.

I repeat what I have said in reply to the hon. member for Victoria and Carleton. I am absolutely sympathetic towards the views he has expressed, and I will do the best I can to comply with his request.

Mr. GRAHAM: I do not want to shut anybody off at all, but if we could finish these marine estimates, we could go home. The first item is the really important item, and if we could dispose of it I think we would have done a pretty good week's work.

Mr. BAXTER: I would ask the hon. member to report progress on this item. We have put through a lot of items this afternoon and evening, it is nearly half past ten and I think we might as well let this stand over, because there are a number of questions that can reasonably be asked from all parts of the House on this item.

Mr. ROBICHAUD: This vote involves the whole fisheries in the Dominion of Canada. As has been stated by my hon. friend from Victoria and Carleton, we have in the province of New Brunswick very extensive fisheries. Some varieties of fish will ascend the streams and rivers and spawn, especially some bass and smelt. We have across these rivers, bridges in certain places, and under these bridges there will be a fish passage. The fishermen take advantage of these passages to set traps and fish nets, and obstruct the passage of the fish up the river. I think this should certainly be looked into.

As far as the salaries of the coast guardians are concerned, I believe that the fact that several fishery officials are employed in each of the constituencies has been overlooked by my friend from Victoria and Carleton. In my constituency, besides the coast guardians, we have four overseers of fisheries, whose duty it is to prevent poaching, and to enforce the fishery regulations throughout the constituency. These fishery overseers are being helped by the coast guardians, and I believe we have too many fishery overseers and too few coast guardians. We have in my constituency, as I have just said, four fishery overseers, and each fishery overseer is being helped by the coast guardians. One fishery overseer for the whole constituency would be sufficient. An extra good man should be appointed, and the recommendation of the Department of Marine and Fisheries should be taken into consideration by the Civil Service Commission when any man is to be appointed in connection with the fisheries. Only lately an inspector of fisheries was appointed having jurisdiction over half the province of New Brunswick who was a school teacher. He is a very bright young man, but instead of selecting a man who had thirty or forty years' experience in the fisheries, and some men with this experience have been recommended—I recommended one myself, a very competent man who had spent most of his life in the fisheries of New Brunswick, but the application was not considered by the commission, and the school teacher was appointed in his stead. If this is the way we are going to promote and protect our fisheries in the Maritime provinces, it is about time this government should hand over the fisheries of the Maritime provinces to a joint commission composed of representatives of the three provinces by the sea. The old government before the Civil Service Commission was inaugurated appointed a church minister to take charge of our fisheries in the Maritime provinces, in the person of Warden Fisher of Halifax.

Mr. GRAHAM: He was fishing in the wrong place.

Mr. ROBICHAUD: In so far as the protection of our fisheries is concerned, I reiterate that a man who has had experience in the fisheries should be selected, and a man who can devote his whole time to the fisheries. Unless this be done, and unless our fisheries are duly protected, I say that the Dominion government should hand over the fisheries of the Maritime provinces to the three Maritime provinces. The province of Quebec is handling its own fisheries, and making a real success of it. I do not say that this department is not doing its duty. We have very efficient men at the head of the fisheries of this country. Our director of fisheries and his staff are all very competent men, and they are doing their duty, but they are too far from the scene of action. They cannot cover the ground as they should, and they have not the required number of officials under them working along the different sections of the coast. I truly believe that some remedy can be found for this difficulty. The Minister of Marine and Fisheries should, I believe, send some of his officials down to the Maritime provinces and investigate the whole situation. Our fisheries have been badly depleted, and the quality of the fish produced is perhaps not quite up to the mark.

I am going to ask the Department of Marine and Fisheries—and I am sure the officials of the department and the House will not look on this as an unnatural request—to grant a small sum of money to our farmers' fair in Gloucester county this year. Why? Our fishermen are not producing the class of fish that is required by the different markets of to-day. The markets of fifty years past were not as particular as the markets of to-day. Our markets to-day are demanding an extra good quality of fish, and the curing of fish is an art in itself. We have in my constituency several classes of cured fish, such as the Gaspe cured dried fish, which is a brand two hundred years old. That is produced largely in my own constituency, and the Gaspe cured fish produced in my constituency does not fill the requirements of the market. I believe that we should have a system of education amongst our fishermen, and it is for that reason I intend to ask the department to grant $500 or $1,000 to our farmers' fair, so that we can have a fish stall where the fishermen will exhibit the finest quality of fish they can produce. This exhibit should be under the supervision of an official of the department. I believe a great deal of good could be accomplished in this way.

Mr. GRAHAM: The minister of Marine and Fisheries is getting weary and I think perhaps it will appeal to every hon. gentleman if we allow vote 239, to provide $880,000, for salaries and disbursements in connection with the fisheries patrol and fisheries protection service and vote number 245, to provide $370,000 for fish culture, to stand and pass the smaller items. We can reserve the two larger items referred to, under which every

thing under the sun in relation to fisheries can be discussed, for another day, but if the committee are agreeable we might put through the smaller votes.

Mr. BAXTER: Vote number 242, which provides $95,000 to assist in the conservation and development of deep-sea fisheries and the demand for fish, deals with a large question of policy. I do not know that we will gain any time by postponing matters; they will be discussed just the same.

Mr. GRAHAM: I am trying to make a reasonable compromise.

Mr. BAXTER: We have given you the big end of the compromise all through.

Mr. GRAHAM: Personally, I have been sitting here every night until after midnight and I am just beginning to get accustomed to it. I think we ought to reserve the $880,000 item because some hon. gentlemen who wish to discuss it are not here. My proposition is that we reserve the two large items I mention, put the others through, and then adjourn.

Mr. CALDWELL: If the minister will guarantee that we can discuss any matter that arises in connection with the votes referred to I see no reason why we should not accept his proposal.

Mr. GRAHAM: I do not think there is any question about that. We have been discussing every possible thing under the first item.

Mr. McQUARRIE: Just before that is done let me point out that I asked a question some time ago and I understood the minister was having the matter looked up.

Mr. CARDIN: The members of the Biological Board of Canada are: Dr. A. P. Knight, chairman; Dr. E. E. Prince, secretary-treasurer; Dr. J. P. McMurrich; Mr. John Dybhaven, Mr. Handfield Whitman, Mr. J. J. Cowie, Professor O'Donahoe, Professor C. J. Connolly, Professor P. Cox, Very Rev. Canon V. A. Huard, Professor W. J. McClement, and Dr. A. H. McKay.

Mr. McQUARRIE: Do the members of this board receive any remuneration or any salary?

Mr. CARDIN: They receive no salary.

Mr. McQUARRIE: Has any reorganization taken place in the board? My reason for asking the question is that we were promised last session, I believe, that the board would be reorganized, particularly in so far as the Pacific representation was concerned—that someone would be appointed who would devote his whole time to studying scientific questions in regard to fisheries on the Pacific coast. Up to the present time, as I understand it, representation has been confined to some university professor who during his holidays, would devote a certain time to studying the habits of fish. That, however, was not considered to be a satisfactory method of representation and, if the minister will remember, the Fisheries Commission of 1922 made certain recommendations in that connection. I think we were promised that some better system of representation would be adopted, and that is what I would like to have an explanation about.

Mr. CARDIN: As a matter of fact the act was amended in 1923, in order to increase the membership of the board and to permit the appointment of three additional men. Two of these were to represent industry—one from either coast—and the third was to be from the department. In this way the particular industries concerned and the department were linked together in such a manner it was thought, as would promote the best interests of those industries. The representative chosen for the Atlantic coast was Mr. Handfield Whitman, of Halifax, and for the Pacific coast Mr. John Dybhaven of Prince Rupert. The question of giving British Columbia larger representation on the board is under consideration and will be taken up at the next meeting of the board.

Mr. McQUARRIE: I did not catch the name of the British Columbia representative.

Mr. CARDIN: He is Mr. Dybhaven.

Mr. McQUARRIE: Is he a scientific man?

Mr. CARDIN: He is representing industry, I am informed.

Mr. McQUARRIE: That does not touch the point at all. As I understand it we were to have a scientific man on the coast who would devote his whole time to studying the habits of the fish, the possibility of restoring the run of salmon on the Fraser river and other matters connected with the Pacific coast fisheries. The minister knows how important the matter is particularly in regard to the Fraser river. The minister no doubt is aware that a few years ago we had a run of salmon on the Fraser river which brought in something like 900,000 cases of salmon per year. That run has been depleted so that at the present time it amounts to simply a matter of fifty or sixty thousand cases or so a year. In consequence the loss to the country is enormous. The matter to be looked into and

investigated is whether something can be done to restore the run of sockeye salmon on the Fraser river. Who is going to do that? It is not a matter for some man who is engaged in industry but for a scientific authority; one who will devote all his time to the work, and not a university professor who will simply employ part of his vacation for the purpose. I think the department is derelict if it does not make arrangements to carry out the promise which was given to us. We cannot play with this question. I do not think the minister is anxious to play with it as he must appreciate its importance. In connection with the Fraser river there are various matters that have to be taken into consideration. One of these, of course, is whether or not it is possible to make some arrangement with the fisheries board of the state of Washington. There must be co-operation between the authorities of the state of Washington and our government if anything permanent is to be achieved. I should like to ask the minister also what is the present state of the negotiations with the state of Washington authorities as to the Fraser river. I understand, and no doubt the minister has the necessary particulars, that some negotiations have been carried on, and that a joint committee has been appointed composed of representatives of the state of Washington and of the Canadian Department of Marine and Fisheries. It would be interesting in fact I think it is necessary, to know what is going on in this connection.

Mr. CARDIN: The situation at present is more encouraging than it has ever been before. The negotiations that are being carried on are quite satisfactory and the department is hopeful that the results obtained will be equally gratifying. No definite decision has been reached so far. As regards the employment of an experienced man to look into the question of the restoration of the fisheries on the Fraser river, Dr. Forester is devoting his time to a study of the matter. The biological board, at its next meeting, will consider the question of increasing the number of its members and, if a decision is reached, the request of my hon. friend, to appoint someone with a special knowledge of conditions there, will no doubt be taken into consideration.

Mr. McQUARRIE: What are Dr. Forester's qualifications?

Mr. CARDIN: He is well known as a scientist and has been recommended by the biological board.

Mr. McQUARRIE: Where is he located?

[Mr. McQuarrie.]

Mr. CARDIN: He is attached to the station at Nanaimo, under Dr. Clemens.

Mr. McQUARRIE: That is hardly studying the Fraser river.

Mr. CARDIN: This is his particular work; he is looking particularly into the Fraser river situation.

Mr. McQUARRIE: But the minister says that he is at Nanaimo. What investigation is he carrying on? I am not asking these questions merely for the sake of taking up the time of the committee. The matter is an important one, as the minister must realize.

Mr. CARDIN: I quite understand the importance of the subject. I understand that he has been carrying on an investigation on the Fraser river for quite a while.

Mr. McQUARRIE: Has he been actually on the Fraser river?

Mr. CARDIN: Yes.

Mr. McQUARRIE: Could the minister furnish the committee with any details as to what investigations he has carried on?

Mr. CARDIN: He is supposed to make reports to the biological board, who in turn will report to the department.

Mr. McQUARRIE: When was he appointed?

Mr. CARDIN: Over two years ago.

Mr. McQUARRIE: And has he not made any report yet?

Mr. CARDIN: No report has been made to the department, but possibly he has reported or given information to the biological board. So far the department has received no information from the board.

Mr. McQUARRIE: I submit that the department should be interested in the matter.

Mr. CARDIN: The department is, indeed.

Mr. McQUARRIE: Then I think that the department should ascertain what reports Dr. Forester has made to the board, and we should have the details of them. Surely there is not much object in having a man make investigations unless some action is to be taken or unless we can know what reports he submits.

Mr. CARDIN: These investigations must necessarily cover a long period; he cannot report every few months.

Mr. McQUARRIE: But he has had two years now in which to study the situation. I admit that there are a number of matters

which will need to be investigated. There is for instance the matter of hatcheries, which has been referred to. I do not say that I am in favour of doing away with hatcheries; as a matter of fact, from my study of many years of hatchery methods, I thought that some improvement might be made in connection with the hatcheries of this country. But I have never advocated that the hatchery system should be discontinued, for I do not believe that this would be wise. Then there is the matter of the enemies of the salmon; for instance, the hair seal. This is a subject that must be studied. The hair seal at present destroys more salmon than the fishermen can catch. The fishermen have great difficulties to contend with in bringing in their fish, which are caught in the nets, before the seal can destroy them. There is also the danger from trout, which destroy the salmon spawn. Then there is the question of the restoration of the spawning grounds, thousands of acres of which, in the upper reaches of the Fraser river, have been entirely depleted, being now barren. Are these spawning grounds going to be restored? If you cannot restore them and get the fish to go there and spawn, then of course the run of sock-eye salmon will never be restored. What I want to know is whether this matter is being taken up seriously, or whether it has simply been handed over to Dr. Forester, who is looking into it and will perhaps in the dim and distant future submit some report which will be pigeon-holed. Is this what will happen, or do we intend to get down to business and see whether something practical cannot be accomplished? I must say, I am not satisfied with the information which the minister has given us to-night, and I really think the department should show more interest in the subject.

Mr. NEILL: I may explain that this biological station is not at Nanaimo but at Departure Bay, which is in the district of Comox-Alberni. I visited it last fall, but I am sorry to say that my memory is not sufficiently vivid to enable me to describe exactly what investigation they were carrying out. Dr. Clemens was not there, but I met his assistant, who showed me over the grounds and explained carefully the kind of work he was going in for and the methods employed. I can only say, speaking in a general way, that I was favourably impressed with the economy and the efficiency with which the station was being run, and with the fact that there was being carried on a work of a thoroughly useful character. I am sorry I cannot state the precise work he was engaged on, but the impression left on my mind was that we were getting good value for the money spent on that station.

Item agreed to.

Building fishways and clearing rivers, $30,000.

Mr. BAXTER: I would like this item to stand, because there is something regarding New Brunswick about which I wish to get some information. It depends upon the information I get whether I shall be justified in making any observations in this House or not upon this subject.

Item stands.

To assist in the conservation and development of deepsea fisheries, and the demand for fish, $95,000.

Mr. BAXTER: This is a very large question, and I do not think this is the time of night to enter upon a discussion of it. I know there are some hon. members, in this part of the House at all events, who have expressed an intention of discussing the question of getting better markets for deepsea fish. We might let this item stand.

Item stands.

To provide for investigations into practical and economic problems connected with fisheries, $10,000.

Mr. BAXTER: I would ask that this item stand, because I do not think any of us understand what is intended by it.

Item stands.

Progress reported.

On motion of Mr. Graham the House adjourned at 11 p.m.

Monday, May 11, 1925

The House met at three o'clock.

DEPARTMENT OF IMMIGRATION AND COLONIZATION ACT AMENDMENT

Hon. J. A. ROBB (Minister of Immigration and Colonization) moved for leave to introduce Bill No. 112, to amend the Department of Immigration and Colonization Act.

He said: This is a very short bill. The amendment is necessary as a result of the courts of British Columbia deciding that section 4 of the Immigration and Colonization Act had the effect of transferring to the Minister of Immigration and Colonization the power conferred on the Minister of Justice by section 43 of the Immigration Act.

Sir HENRY DRAYTON: What is the effect of the amendment?

Mr. ROBB: Heretofore if a man was placed in gaol the Minister of Justice could sign for his release, but apparently that power was vested by section 4 in the Minister of Immigration and Colonization. It is by this amendment transferred back to the Minister of Justice.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPORTED CHEESE

Mr. STEWART (Leeds):

1. Is the government aware that Canadian manufacturers (grinders) of loaf cheese make use of New Zealand cheese in the manufacture of their product?
2. Do these manufacturers (grinders) export the product so manufactured labelled as a Canadian product?
3. Are these manufacturers (grinders) entitled to a rebate of duty paid on imported cheese used in the manufacture of their product when such products are exported?
4. What is the amount of rebate of duty, if any, allowed in such cases?
5. When Canadian cheese is used in the manufacture of such products, what grade of such cheese is used?
6. Have any regulations been adopted relating to the manufacture, branding, grade of Canadian cheese to be used, or sale of this class of cheese?
7. Is it the intention of the Minister of Agriculture to make regulations relating to the manufacture, branding, sale and export of this class of cheese?

Hon. Mr. COPP:

1. Yes.
2. No.
3. and 4. Under regulations established by order in council under the provisions of the Customs Act a drawback is allowed of 99 per cent of the duties paid on imported materials used, wrought into, or attached to goods manufactured or produced in Canada, and exported.
5. First grade.
6. No.
7. The matter is under consideration.

TEMISCOUATA PUBLIC BUILDINGS

Mr. POULIOT:

1. What public buildings belonging (a) to the Dominion government; (b) to the Canadian National Railways, in the county of Temiscouata, are insured against fire?
2. For what amount are each of said buildings insured?
3. What is the amount of the yearly premium in each of the above cases?
4. What are the names of the insurance companies in which the said buildings have been insured?
5. What are (a) the names and (b) the address of of the insurance agents who insured the above buildings?
6. What is the date of payment for each of the above insurances?

[Sir Henry Drayton.]

Hon. Mr. COPP:

1. (a) There are no public buildings insured against fire in the county of Temiscouata.

Location—Description of Property

(b) Riviere du Loup—Station, freight house, contents (freight), baggage express house, water tank, water tank, ice house, sand house, roundhouse (30 stalls), machine shop, power house, storehouse, contents (stores), car repair shop, contents (stores), bunk house (engineer's), casting shed, contents (stores), coal shed, shop B and B department, scale house and scales, yard office and switchman's shanty, tool and lunch room, stores in iron shed.

Cacouna, Que.—Station.

St. Arsene, Que.—Station.

Isle Verte, Que.—Station, water tank.

St. Eloi, Que.—Station, freight house.

Tobin, Que.—Station, freight house.

Trois Pistoles, Que.—Station, freight house, water tank, dwelling (agents), coal house (agents).

2.—Location—Description of Property

	Insurance on Building	Insurance on Contents
Riviere du Loup, Que.—		
Station	$ 10,000	$ 2,000
Freight house	14,000	
Contents (freight)		8,000
Baggage express house	3,000	
Water tank	3,000	
Water tank	1,500	
Ice house	7,000	1,000
Sand house	1,000	100
Roundhouse (30 stalls)	50,000	5,000
Machine shop	75,000	50,000
Power house	12,000	15,000
Storehouse	15,000	
Contents (stores)		55,000
Car repair shop	25,000	5,000
Contents (stores)		1,800
Bunk house (engineer's)	2,500	300
Casting shed	2,000	
Contents (stores)		8,000
Coal shed	600	500
Shop B&B Department	1,200	500
Scale house and scales	500	
Yard office and switchman's shanty	500	100
Tool and lunch room	500	200
Stores in iron shed		1,200
Cacouna, Que.—		
Station	6,000	
St. Arsene, Que.—		
Station	5,000	
Isle Verte, Que.—		
Station	5,000	
Water tank	1,500	

	Insurance on Building	Contents
St. Eloi, Que.—		
Station	2,000	
Freight house	2,500	
Tobin, Que.—		
Station	2,000	
Freight house	700	
Trois Pistoles, Que.—		
Station	5,000	
Freight house	5,000	
Water tank	1,500	
Dwelling (agent's)	2,000	
Coal house (agent's)	400	
	$262,900	$153,700

3.—Location—Description of Property

	Annual Premium
Riviere du Loup, Que.—	
Station	$ 60 00
Freight house	70 00
Contents (freight)	40 00
Baggage express house	15 00
Water tank	15 00
Water tank	7 50
Ice house	40 00
Sand house	5 50
Roundhouse (30 stalls)	275 00
Machine shop	625 00
Power house	135 00
Storehouse	75 00
Contents (stores)	275 00
Car repair shop	150 00
Contents (stores)	9 00
Bunk house (engineer's)	14 00
Casting shed	10 00
Contents (stores)	40 00
Coal shed	5 50
Shop B&B department	8 50
Scale house and scales	2 50
Yard office and switchman's shanty	3 00
Tool and lunch room	3 50
Stores in iron shed	6 00
Cacouna, Que.—	
Station	30 00
St. Arsene, Que.—	
Station	25 00
Isle Verte, Que.—	
Station	25 00
Water tank	7 50
St. Eloi, Que.—	
Station	10 00
Freight house	12 50
Tobin, Que.—	
Station	10 00
Freight house	3 50
Trois Pistoles, Que.—	
Station	25 00
Freight House	25 00
Water tank	7 50
Dwelling (agent's)	10 00
Coal house (agent's)	2 00
	$2,083 00

4. All buildings in question are insured in the Company's fund.

5 and 6. Answered by No. 4.

EMIGRATION TO UNITED STATES

Mr. ROSS (Kingston):

1. Has the government any notice that United States will put in force a regulation regarding any quota against emigration of Canadian born to United States?

2. Will such regulation come into force during year 1925?

3. Has the government been in consultation with the government of United States on this question?

4. If so, what are the results of the consultation?

Hon. Mr. ROBB:

1. No.

2. Answered by No. 1.

3. No.

4. Answered by No. 3.

COLONEL H. A. C. MACHIN

Mr. CARRUTHERS:

1. Was Col. H. A. C. Machin employed by the government of the day, during or after the late war, or assigned to perform other duties than those attaching to his military rank? If so, what was the nature of such?

2. Did he receive any remuneration for such services, other than his regular military pay and allowances? If so, at what rate per diem was he paid?

3. Was he also paid in addition anything for travelling or other expenses? If so, what amount?

Hon. Mr. COPP:

1. This officer was on the strength of the Canadian Expeditionary Force from October, 1915 to 31st May, 1919. He returned to Canada on leave in July, 1917, and was struck off strength of the overseas military forces of Canada 1st October, 1917, on being retained in Canada for special duty as a member of the Military Service Council and subsequently as Director of the Military Service branch.

2. This officer was paid the regimental rates authorized for the rank of lieutenant-colonel to February 19, 1918, and from February 19, 1918, to date struck off strength of the Canadian Expeditionary Force, a consolidated rate of pay and allowance of $6,000 per annum.

3. He was allowed $15 per diem to cover living allowance and his actual moving expenses. In 1917-18, living allowance, $2,790; travelling expenses, $39.07; total $2,829.07. In

1918-19, living allowance and travelling expenses, $1,074.75.

CANADIAN NATIONAL RAILWAYS—SALARIES

Sir HENRY DRAYTON:

1. How many officials or officers of the Canadian National system receive salaries or remuneration amounting to $15,000 per year or over?
2. What was the total amount paid by the Canadian National system for salaries or other remuneration amounting in each case to $15,000 per year or more in the year 1924?

Hon. Mr. GRAHAM: Mr. Speaker, this is a peculiar question in that it seeks to have the Canadian National Railways give to the public information which no other railway company gives. It really is asking the railway owned by the government to do something that no other railway company in Canada is asked to do, or does, or, possibly, would do. I may say this, however. The management of the Canadian National Railways are very much averse to giving this information, for the reasons I have suggested. I have urged them to give it in this case, particularly as it relates only to the higher paid officials and does not include the employees in general. With that understanding—that it is not opening the door to a series of questions that will be handing the entire information as to salaries over to the public for use by other companies, information which if given would also give rise to endless jealousies in the staff itself—I am prepared to answer the question. The answer being confined within the limits I have stated, I do not think it will do any appreciable harm.

The answer is as follows:

1. 17.
2. $350,083.33.

CANADIAN NATIONAL RAILWAYS—EQUIPMENT

Sir HENRY DRAYTON:

1. What amount of equipment was purchased by or for the Canadian National system in each of the years 1922, 1923 and 1924?
2. What was the total amount charged for equipment in the system's books at the close of the year 1924?

Hon. Mr. GRAHAM:

1.

1922..	$ 28,737 50
1923..	29,959,452 28
1924..	14,487,162 27

(Including sales tax totalling $1,686,885.22.)

2. $346,896,425.29.

ST. LEONARD SUB-COLLECTOR OF CUSTOMS

Mr. DOUCET:

1. When did the position of sub-collector of Customs and Excise at St. Leonard's Madawaska county, New Brunswick, become vacant?
2. When were applications called by the Civil Service Commission for the filling of this vacancy?
3. How many applications were received?
4. What are the names of the successful applicants?
5. Was an order issued by the commission to one Joseph Desjardines to report for duty and on what date?
6. Was that order withdrawn? If so, on what date and why?
7. When does the Department of Customs and Excise propose appointing a permanent official to that position?

Hon. Mr. COPP:

1. August 31, 1924, through the death of the sub-collector.
2. September 10, 1924.
3. One.
4. Mr. E. J. Roy.
5. Not to this position.
6. Answered by No. 5.
7. E. J. Roy permanently appointed from December 1, 1924.

WAR REPARATIONS

Mr. BLACK (Halifax):

1. What action is being taken to settle claims for reparations?
2. When is it expected that these claims will be paid?

Hon. Mr. COPP:

1. The appointment of a successor to the late Hon. William Pugsley, the commissioner appointed to consider the report upon claims for reparation, is under consideration.
2. On the completion of the report of the Reparation Commissioner the subject will be dealt with.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REVENUE OF CANADA

Mr. ROSS (Simcoe):

1. What was the total revenue of Canada for the years ending 31st March, 1922, 1923, 1924 and 1925, respectively, from the following sources, import duty, excise duties, excise taxes, income war tax, business profits war tax, any other sources?
2. What per cent of the amount received was the cost of collection in each case?

GRAIN ELEVATORS

Hon. Mr. STEVENS:

1. How many grain elevators are owned or operated (a) by Dominion government; (b) harbour commissioners under control of the minister of marine; (c) by the Canadian National Railways; (d) or sublet from any of the above?
2. Where is each elevator located, what is the type of construction, and what is the storage capacity of each?
3. What was the cost of each, exclusive of site?
4. What was the cost of each, including site?
5. What is the number and kind of separator, cleaner and dryer in each?

6. What is the capacity and kind of conveyor system in each elevator, including the number of legs?

7. By what kind of power is each operated, showing maximum demand and connected load of each plant?

8. What amount of grain did each handle during each of the crop years, ending 1922, 1923, 1924 inwards and outwards?

9. Which of the above elevators are operated under the Canada Grain Act, and under what authority are others operated?

10. Which are licensed and bonded by the Board of Grain Commissioners?

11. What is the insurance rate on each (a) building; (b) contents?

12. What are the charges in each and in case of conveyor charges, at what rate in each case?

13. What are the number of receiving pits in each elevator and number of car loading spouts?

14. In which of the above elevators are "car dumps" used, or automatic power, or shovels, and if car dumps are used, what make?

15. Are any of the above elevators in process of construction, or if incomplete, how much still remains to complete?

16. What was the operating revenue and operating expenses, exclusive of interest and sinking fund, on each of the above elevators?

17. In cases where elevators are leased (a) what are the rentals; (b) to whom leased; (c) terms of lease?

18. What are the number of scales in each elevator, showing receiving, shipping, bagging capacity of each?

RAILWAY GRADES

Mr. MORIN:

What are the maximum grades between engine runs from (a) Calgary to Vancouver on the Canadian Pacific Railway; (b) Edmonton to Vancouver on the Canadian National Railways; (c) Fort William to North Bay on the Canadian Pacific Railway; (d) Superior Junction to Cochrane on the Canadian National Railways; (e) North Bay to Montreal on the Canadian Pacific Railway; (f) Cochrane to Quebec on the Canadian National Railways; (g) Farnham to McAdam Junction on the Canadian Pacific Railway; and (h) Levis to McGivney Junction, New Brunswick, on the Canadian National Railways?

UNOPPOSED MOTIONS FOR PAPERS

No. 1 ELEVATOR, VANCOUVER

Hon. Mr. STEVENS:

For a return showing statement made out by Messrs. Wilson and Wilson, in October, 1924, as auditors for Vancouver Harbour Commissioners, covering the operation of No. 1 elevator, for crop year ending July 31, 1924.

QUEBEC RIOTS, 1917

On the motion of Mr. Doucet:

For a copy of the report of Colonel Machin to the Governor in Council respecting the Quebec riots of 1917.

Hon. E. M. MACDONALD (Minister of National Defence): My attention has just been called to-day to this motion. I would like my hon. friend to let the motion stand, as I desire to look into the matter.

Motion stands.

WRANGEL ISLAND

On the motion of Hon. Mr. Manion (for Hon. Mr. Baxter):

For a copy of all reports, memoranda, documents and other papers, in relation to Wrangel island, which are in possession of the Department of External Affairs, and a copy of all correspondence of Canada, and (a) Vilhaljmur Stefannson; (b) the British government and (c) the government of the United States.

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is just possible that the British government or the government of the United States may regard some of the correspondence asked for as confidential, in which event it will have to be so regarded. I think everything else can be brought down.

Mr. DEPUTY SPEAKER: Carried, subject to the limitations mentioned by the Prime Minister.

DOMINION NOTES

On the motion of Mr. Brown (for Mr. Good):

For a return showing: 1. The amount of Dominion Notes advanced under the War Finance Act of 1914 (with amendments), and outstanding at the end of March, June, September and December of each year from 1914 until the present year.

2. The amounts of securities accepted as a basis for the foregoing issues of Dominion notes, given for the same periods.

3. The different classes of securities and the various amounts of each accepted for rediscounting for the same periods.

4. The different institutions (banks) which took advantage of the rediscounting privileges, and to what extent, for the above mentioned periods.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, the department offers no objection to giving the information, but in the absence of the mover of the motion (Mr. Good), I think it might stand. I might point out to the House that to furnish this information will require considerable clerical help and involve a good deal of expense, without, so far as I can see, serving any good purpose. I should like to discuss it with my hon. friend, who is strong for economy, before allowing it to pass.

Motion stands.

AUSTRALIAN TREATY

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): May I ask the government, in view of the insistent requests from British Columbia, whether they have taken any further steps in connection with the Australian treaty?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There is nothing further to report at this time. The matter is still the subject of negotiation.

Mr. LADNER: Do I understand the Prime Minister to intimate that the negotiations are still open, notwithstanding the intimation of the Prime Minister of Australia that they had been closed?

Mr. MACKENZIE KING: If my hon. friend had been in his seat the other day he would have heard my reply to the intimation which he has just made. I do not view the remarks of the Prime Minister of Australia in the same way that my hon. friend does.

Mr. MEIGHEN: Is it correct that Mr. Ross, who was to go back to recontinue the negotiations, has not yet gone?

Mr. MACKENZIE KING: I think he is expected to leave this week.

CANADIAN NATIONAL RAILWAYS—INJURY TO EMPLOYEE ON DUTY

On the Orders of the Day:

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Mr. Speaker, may I direct the attention of the House to the fact that owing to the coolness and presence of mind of a trainman and the engineer on an Intercolonial train the other day a very serious accident was averted and the lives of several people saved? But the engineer was very seriously hurt, and I do not think he will be able to work in that capacity in future. Is it the intention of the government to award anything to this man so that he may be able to maintain himself and his family? His name is Mr. Gagnon.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): This matter has not been called to the attention of the government before, but I can assure my hon. friend that it will be given every consideration. I might point out that these matters now always emanate from the Canadian National board in a report, on which the government acts or declines to act.

BUSINESS OF THE HOUSE

RAILWAY FREIGHT RATES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): It is now about a week and a half since the termination of the budget debate, but the bills representing the government policy as respects important matters are still unintroduced. May I ask particularly with respect to the railway rates question—when may we expect a statement of the government's policy or a bill representing it?

[Mr. Mackenzie King.]

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): It is now under consideration. It is a very important bill. Mistakes have been made before, I am told, even in the drafting of legislation, and the government wants to be sure that no mistakes are made this time. The bill will be introduced in plenty of time this session to give hon. members opportunity for full discussion.

CANADA GRAIN ACT AMENDMENT

Hon. T. A. LOW (Minister of Trade and Commerce) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend and consolidate The Canada Grain Act, chapter 27 of the statutes of 1912, and amending Acts, and to make further provisions in respect to the handling and marketing of grain, or incident to the buying, selling and transportation of grain; the grading and weighing of grain; the handling of grain in and out by country elevators and at country points and inspection of such elevators; the operation, management and control of terminal, public and private elevators; the storing, cleaning and binning of grain; the mixing of grain and the disposition of screenings.

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

Mr. MEIGHEN: Mr. Chairman, this is a most remarkable resolution to precede a bill. The purpose of a resolution which is to precede a bill is to embody the principles of the bill and virtually all the terms, or, if not all the terms of the bill, certainly all the important terms; otherwise the resolution does not serve its purpose at all: it is valueless; it is a waste of time. The rules of the House call for an introductory resolution, but you do not meet the rule by a simple resolution declaring that a certain act should be amended, which is all that this resolution does. It says, "Resolved that it is expedient to amend and consolidate The Canada Grain Act, chapter 27 of the statutes of 1912, and amending acts, and to make further provisions in respect to the handling and marketing of grain." Well, what provisions? I presume it is expedient to do it if the provisions are an improvement, but what is the sense of the House resolving that it is in the public interest to make an amendment of the provisions as to the handling of grain when we do not know what the provisions are? I submit to you as a point of order, Mr. Chairman, that this resolution is not a compliance with the rules of the House.

The CHAIRMAN: If the right hon. gentleman will allow me to quote Bourinot, I find on page 496:

Rule 50 of the House of Commons provides:

"No bill relating to trade or to the alteration of the laws concerning trade, is to be brought into the House, until the proposition shall have been first considered in a committee of the Whole House and agreed unto by the House"

It is quite allowable, however, to introduce bills relating to trade in the Senate, without previously considering the subject in a committee of the Whole.

Then follows the paragraph which I think is pertinent here:

The rule, as generally understood in the Canadian House—and English practice bears it out—simply requires the House to go into committee to consider a general proposition, setting forth the expediency of bringing in a measure on a particular question affecting trade. The object of the rule is to give another stage for consideration of a measure involving commercial interests.

The decisions of the Canadian Speakers are referred to at the bottom of page 496. With all due deference, therefore, to the right hon. gentleman's objection, it would seem to me at least that as long as the proposition is indicated in a general way, disclosing what the intention of the government is, without detailing particulars, that the resolution would fall within that provision.

Mr. MEIGHEN: I quite agree—as long as the purpose is outlined in a general way disclosing what is intended to be done. But can any human being tell what is intended to be done by this resolution even in the most general possible way? You are proposing to amend the act in respect to the handling of grain. Well, amend it how? To provide for what change? You do not need to give the exact terms of the proposed amendments, the details, but this does not tell how you are going to amend the act. It does not give the government's position at all; it may be backwards or forwards, right or left; it may be to strike the whole thing out. The House is given no inkling whatever as to what the nature of the proposed change is, and I submit it is only trifling with the rules of parliament to submit this premonitory resolution anteceding the bill.

Mr. LOW: I can only say in reply to my hon. friend that I submitted the bill to the Law Clerk of the House, and asked him if he would prepare a resolution covering what would be required preceding the introduction of the bill.

Mr. MEIGHEN: Who is the law clerk now?

Mr. LOW: Mr. Troop. I am not an authority on these matters myself, and I must confess that I relied upon the Law Clerk of the House.

Mr. MEIGHEN: Will the minister look at Nos. 20 and 21 on the order paper? He will see there what is intended by such a resolution. Those are quite proper.

Mr. LOW: In this case, Mr. Chairman, I must stand by the resolution as drawn by the law clerk, unless the House decides otherwise. Mr. Chairman, perhaps there has been no legislation brought before this House this session that is of greater importance—

Mr. MEIGHEN: Mr. Chairman, I must ask for a ruling on the point, after argument. I think it is a very serious matter. If this is to be taken as compliance with the rules —simply a resolution saying that it is advisable to amend a certain act,—it does away with all purpose of the rule entirely. It does not serve the object which you, Sir, read just now as an additional precaution before legislation. If we pass this, the House has not taken the slightest precaution by way of a premonitory step anteceding legislation, not the slightest, because we have not the remotest idea what the legislation is. It does not state its principle even in the most vague or general terms; it does not give the House the faintest intimation. The bill that is to follow could be anything on earth and still be in compliance with this resolution if this ruling is to be sustained, and in future there will be no need whatever of having a resolution anteceding a bill, not the slightest; we may just as well abolish the rule, because your ruling, Mr. Chairman, abolishes it, when you rule this to be in order.

Mr. MACDONALD (Pictou): May I point out?—the present resolution does conform to the general principle that the preliminary resolution, which must always be submitted to the House before any money bill or any measure relating to trade and commerce is considered, should contain an intimation of the nature of the measure which is proposed. My right hon. friend contends that the wording of the resolution is altogether too general; but what is done here is to ask for a declaration:

That it is expedient to amend and consolidate the Canada Grain Act, chapter 27 of the statutes of 1912, and amending acts—

So the committee quite apprehends what the purpose of this bill will be when it is introduced. The language of the resolution although general is apt, and the committee could not expect that more definite language could be employed when dealing with the consolidation not only of one act but of a

whole series of acts relating to an important matter. The resolution proceeds:

—and to make further provisions in respect to the handling and marketing of grain, or incident to the buying, selling and transportation of grain; the grading and weighing of grain; the handling of grain in and out by the country elevators and at country points and inspection of such elevators; the operation, management and control of terminal, public and private elevators;—

And so on. This resolution intimates that further provisions, in addition to those which now exist, are to be made in regard to ali these subjects. The object in drafting the preliminary resolution in a certain way is merely for the purpose of informing the House as to the purpose of the subject which it will be asked to consider later on when the bill itself is introduced, supplemented in this as in every case by the explanations of the minister who is responsible for the measure. It does seem to me therefore that the resolution comes within the ruling and the precedents cited by the chairman of the committee from Bourinot, and that the committee ought not to regard the objections of my right hon. friend as being substantial.

Sir HENRY DRAYTON: It seems to me that this matter is capable of very simple determination, and the real manner in which it ought to be determined is as pointed out by you, Mr. Chairman. You have read, and rightly read, from the authority governing such cases, that in connection with matters having to do with trade and commerce and the like opportunity is to be given the House to understand what is proposed to be done. The idea, of course, is perfectly plain. When it is proposed to change the law, before we take the initial step the House is to be informed as to what the nature of the change will be. It is not necessary to submit then the exact sections that have been drafted, but it is necessary—if we are to try and apply the rule as quoted by you, Sir,—that we should at least know in what direction the changes tend. We should at least know, for example, whether grading is to be made easier or stiffer; whether one thing is to be stopped and another thing is to be allowed; we should know in which direction the government seek to go. As to what the Minister of National Defence (Mr. Macdonald) has said, he is quite right in his statement in so far as the mere consolidation of statutes is concerned; but he is infinitely wrong in connection with the only part of his remark that has anything to do with the point at issue. He is correct in what he says about the consolidation of statutes, because it is a very easy thing to know by reference to the statutes what we are doing when we are consolidating. The House, in that case, would have a right to understand that the consolidation to be undertaken was to be fair, just, and honest consolidation of existing provisions. But my hon. friend after making that point clear sought to deal with an entirely different subject in an absolutely different way.

Now, Mr. Chairman, let us see what you have to say as to the reason why we have the preliminary resolution. We have a resolution such as this in order that the House may get an idea as to the direction in which legislation is contemplated and so will have an opportunity of giving or withholding its assent. Now let us take the first thing which is proposed here. We have to make further provision in respect to the handling and marketing of grain. Well, we all know something about the handling and marketing of grain, how that is done; but we do not know what is here proposed to be done in either of these directions. We do not know whether the handling or marketing of grain is to be made easier or more confined; whether new channels are to be sought or not in looking after this very important business. In the name of common sense is there anything in the resolution which tells the House what it is to be asked to do in that connection? We are next told that the buying, selling and transportation of grain is to be provided for. The same remarks apply in absolutely the same way to these questions. We know how grain is transported, there is no question about that, but the government proposes that something shall be done to change that transportation, some further provision is to be made in that connection. What is the nature of the provision? Is it a provision which will throw a further burden—

Mr. FORKE: We will take it by aeroplane afterwards.

Sir HENRY DRAYTON: Possibly—I really would not be surprised at any suggestion the Minister of Trade and Commerce might make in that regard and therefore I say "possibly" but I do not think at the moment that I should say "probably." At any rate the matter of transportation of grain is to be dealt with and a change is to be made. What change is to be made? Who is to be helped? Are the railway companies to be helped by a diminution of their liability, for example, in connection with losses? Is there to be aid granted to the producer. Or is there to be a further warranty in grain transactions? Is there to be a change made in connection with the rates? What is to be done? Again I

ask, in the name of common sense, what is there for the House to pass upon? Then we have this further question; "The grading and weighing of grain." Now, if there is anything in the world we would want to get advanced information on before we pass legislation concerning it, it is the grading and weighting of grain, because it is a most delicate and vexed question. The House and the country should know, in general terms, what is intended to be done, before any legislation is passed; it ought to get the fullest opportunity of knowing what the government's ideas are. That is the purpose of the rule as read by you, Mr. Chairman, and yet that opportunity has not been afforded us. I could go through the whole list of matters proposed to be dealt with, and we are left in absolutely the same position, without the slightest indication as to what is to be done. If the rule has any significance, if we are to have any regard for it, all right; but if the rule is to be treated in the way proposed by the Minister of National Defence let us strike it out altogether because it means absolutely nothing.

Mr. FORKE: I am almost afraid to venture into this discussion when I find so many lawyers who differ in their views. But I am going to use a little common sense in looking at this matter and see what I can make out of it.

Some hon. MEMBERS: Oh, oh.

Mr. FORKE: I meant no insinuation whatever. There may be a very good reason for a rule of this kind and I can well understand the arguments of the right hon. leader of the opposition. At the same time it seems to me that the resolution deals with so many different phases of the subject, there is so much ground covered, there are so many different incidents which have to be considered in drafting the necessary legislation, that it would be impossible to give any definite information on the subject until the whole bill is brought down; and therefore it seems to me we are simply wasting time in this discussion. I think all of us have a pretty general idea as to the intent of this proposed legislation and my hon. friend the ex-Minister of Finance (Sir Henry Drayton) will get the information he seeks if he is just a little patient.

Mr. BAXTER: I can quite appreciate the remarks of the hon. member for Brandon (Mr. Forke), but he must remember that the position he occupies gives him peculiar facilities for knowing in advance the purposes of the government, which are not possessed by members of the group to which I belong. If, of course, we were disposed to accept everything proposed by the other side of the House in the same gentle way that the hon. leader of the Progressives accepts it, we might expect, perhaps, to have sudden and violent division in our own ranks, with a departure of some gentlemen from positions of importance.

Referring to the point of order, my own view is that the rule is rather a burden upon public business; as far as I am concerned, I would rather the rule did not exist. There are some legislatures in Canada that do not resort to it at all. But there ought to be—not for the information of the House, but for the information of the country—distinct notice in advance, so as to permit the country to be apprised of important changes in legislation on any subject that interests a considerable number of the people. That, I take it, was the original object of the rule, and while we have the rule it surely ought to be observed. For my part, I would gladly vote for the repeal of the rule and the substitution of a system which would provide that a bill should be introduced and remain on the table for a certain number of days before any discussion could take place. I think that would save the time of the House and dispense with a lot of unnecessary printing. But the position we are in to-day is that we are asked to pass a resolution which conveys absolutely no meaning. It is not within the spirit of the rule at all events. We are asked to pass that resolution because a minister of the crown has handed over to some other gentleman—and quite properly—the duty of preparing the resolution, though that gentleman has prepared a resolution that is utterly inadequate and out of line with the spirit of the rules. If every time a blunder is made we are asked to accept it we will soon have an end of all rules; and I do not see how the members of this House can very long be expected to conform with alacrity either with the spirit or the letter of the remaining rules of the House, if any one of them is to be put out of service in this somewhat summary fashion. My hon. friend the leader of the Progressives (Mr. Forke), with his easy channel of communication—which reminds one of the subway from the Central station to the Chateau Laurier, an easy and convenient mode of communication—knows, of course, what the words "transportation of grain" in this resolution refer to. I have not that advantage, not having the same intimate relations with members of the government to

enable me to get the information in this way. If I were a Progressive—

Mr. GOULD: You will never be.

Mr. BAXTER: No, thank God! I hope I never will be quite such a spineless political animal; but I hope to be progressive in a real sense, and not progressing along, drawn by a string after a wagon driven by somebody else; that is not my idea of progress or progressiveness. If my hon. friend had not his intimate means of knowledge, and happened to see the phrase "transportation of grain," it might possibly occur to him that under those words there could be concealed an attack upon that charter of liberty so dear to him, the Crowsnest pass agreement. I do not suppose it is being attacked by this bill; but under that language, after a resolution of this charter had been accepted, it would be perfectly proper for the government to deal with the transportation of grain as affected by that particular agreement. Of course my hon. friends know they are in no such danger. If they thought they were, the chief support of the government would be withdrawn at once. They know they are safe, but a day may come when the Tories, whom they do not trust, will be in power in this House,—the day is not so far distant—and I would venture to say that their attitude towards language of this character would immediately assume a degree of suspicion that is entirely absent to-day. We would have none of this complacency.

You have given your ruling, Mr. Chairman, in good faith, but I appeal to you to consider that the important matter involved in that ruling is the utter destruction of anything that the rules stand for.

Mr. LAPOINTE: The bill which is preceded by this resolution will contain from 275 to 300 clauses.

Mr. STEVENS: Not new sections?

Mr. LAPOINTE: No, not new sections, but the bill has to be preceded by the resolution just the same for the old sections as well as for the new ones. Nobody claims or will claim that a resolution preceding such a bill should recite what is contained in those 300 sections.

Mr. MEIGHEN: Nobody said so.

Mr. LAPOINTE: No, nobody said so, but it is the spirit of the objection which has been raised. What is the rule? The rule simply requires the House to go into committee to consider a general proposition setting forth the expediency of bringing in a measure on a particular question. The resolution sets forth the general proposition that it is expedient to consolidate and amend the Grain Act, and states that amendments will be moved purporting to deal with certain phrases which are all mentioned in the resolution. I have been in this House for a great number of years and I venture to say that this resolution is practically the same as all resolutions preceding such bills, and the Law Clerk of the House, who has drafted this resolution has done so according to the practice as he has drafted all other resolutions of such a nature. Surely my hon. friends are ill-advised in singling out the Canada Grain Act for the purpose of setting forth such an objection as they have made.

Mr. MEIGHEN: I do not know what the hon. minister is talking about when he makes such an assertion.

Mr. LAPOINTE: What assertion?

Mr. MEIGHEN: That the law clerk has drafted this resolution in the same form as all others.

Mr. LAPOINTE: When dealing with bills of this nature.

Mr. MEIGHEN: Not at all.

Mr. LAPOINTE: I can find many of them.

Mr. MEIGHEN: I will find some of them right now on the order paper.

Mr. LAPOINTE: You will find others in the same position.

Mr. MEIGHEN: Let the minister look at resolution No. 14, and every resolution that is on the order paper. I never saw one like this, and if there were one it should have been objected to. Look at No. 15, No. 6 and No. 7. I have read them all.

Mr. VIEN: They do not refer to a consolidation.

Mr. MEIGHEN: No certainly not, but what difference does that make? Look at No. 23.

Mr. VIEN: It makes all the difference in the world.

Mr. MEIGHEN: The consolidating is all right. So far as consolidation is concerned nobody is complaining. It is the amendments. I say that sufficient should be stated as to the purpose of the changes to put the House on its guard as to what those changes are to be. If the minister would look at No. 20, or No. 21, or No. 14, he would not say

to me, man to man, for a minute, that all the changes that are to be made, and the purpose of the whole of them, could not be summarized in language one-half the length of resolution No. 17. He could do it himself; fifty members of this House could do it. He does not need to insert all the changes. The statement in regard to consolidation does not need elaborating. He does not need to repeat any of the old sections. What is to be the effect of these changes? There are to be amendments along certain lines. Let the minister name the lines, name the character of the amendments. That may embrace ten or eleven different clauses and the House is then put into possession of the great purpose of these changes. That is all we ask. The resolution as it stands is just making a farce of the rule, and it is a serious responsibility for this House to declare that the rule is complied with. It is all right for my hon. friend to my left (Mr. Forke)—and I know how lightly some hon. members look upon these things—to say: I know what is going to be done; let us get at it. If that sort of thing is to be done, let us do it in an honest way and get rid of the rule. If the rule is to be disregarded, after this all we need to do is to bring in a resolution saying that we intend to amend section so-and-so of chapter so-and-so of such-and-such a year, and if somebody wants to know the nature of the amendments, the minister in charge will say: We will come to that when we bring in the bill. There is a way in which to improve a rule or to get rid of it. If it should be improved let us improve it, or if got rid of, let us get rid of it; but do not let us make a farce of the rules of parliament. I do not quite agree with my hon. friend (Mr. Baxter) to my right that this rule should be got rid of. Its application might possibly be restricted, but once we adopt this ruling we are done, as regards all cases, with a precaution which parliament has historically adopted and which parliament, if it does not intend to get rid of it, should not get rid of by defying it.

Mr. MACDONALD (Pictou): I am really at a loss to understand the state of alarm into which my right hon. friend has worked himself with regard to this question.

Mr. MEIGHEN: It is not alarm; it is common sense.

Mr. MACDONALD (Pictou): We have both been in this House for a number of years, and it might be interesting for the House to ascertain the exact nature of a resolution introduced by my right hon. friend in 1912 when the act which we propose now to amend and consolidate was being dealt with, in order that my right hon. friend may see that the constitution of this country and the usages of parliament have not altogether gone to rack and ruin in the meantime. I would ask the attention of the committee while I read the resolution. When I have read it, I think the committee will agree with me that the resolution as drafted for the Minister of Trade and Commerce (Mr. Low) to-day goes further than this resolution did in 1912: This was the 1912 preliminary resolution.

Mr. FORKE: Introducing the Grain Act?

Mr. MACDONALD (Pictou): Introducing the Manitoba Grain Act:

> Resolved, that it is expedient to consolidate and revise the Manitoba Grain Act, chapter 83 of the Revised Statutes, 1906, and part II of the Inspection and Sale Act, chapter 85 of the Revised Statutes, 1906.

That is what we say here. Then it goes on:

> To establish a Board of Commissioners to administer the grain trade of Canada, and to provide for expenses in connection therewith, and to charge the board with the operation and management of such terminal elevators as may be constructed, leased or acquired by the government of Canada.

That is the whole of the preliminary resolution of 1912. We have gone on and given in a general way, which, as the rule says, is all we are expected to do, the various numerous subjects dealt with, in such a way that every hon. member knows exactly, so far as general language is concerned, the subjects that are to be dealt with by the amendment. I submit that the precedent of 1912, the resolution introduced by that distinguished public man, Hon. Robert Rogers, on this question, paving the way for the act of 1912, might relieve my right hon. friend's mind of any fear of danger of the rule being disregarded in connection with the present resolution.

Mr. MEIGHEN: My hon. friend was rather unfortunate in the example he chose, but he was wise in reading it in a low tone of voice so that very few hon. members understood the full purport of it. Make a resolution of that sort and I am satisfied. There was a Grain Act in existence. The purpose of the new act was to establish a Board of Grain Commissioners and to provide for their duties and support. That was exactly set out in the resolution which the hon. member read. If the minister does the same in this case, I shall be satisfied.

Mr. STEWART (Argenteuil): Was that all?

Mr. MEIGHEN: No, but that was the main purpose of the amendments made. The substance of all that was done was in that resolution.

An hon. MEMBER: What about the terminal elevators?

Mr. MACDONALD (Pictou): That resolution was six lines long and ours is eight.

Mr. MEIGHEN: The elevators were provided for before. There was a grain act before the act of 1912 was passed. In this case no purpose is given.

The CHAIRMAN: A point of order has been raised, that this resolution is not in order because it infringes rule 50 which is as follows:

No bill relating to trade, or the alteration of the laws concerning trade, is to be brought into this House, until the proposition shall have been first considered in a committee of the whole House, and agreed unto by the House.

Bourinot's reference to that is briefly this:

The rule, as generally understood in the Canadian House—and English practice bears it out—simply requires the House to go into committee to consider a general proposition, setting forth the expediency of bringing in a measure on a particular question affecting trade.

The first authority cited by Bourinot is in Hansard of March 24, 1882, when Mr. MacLelan moved that the House resolve itself into committee of the Whole to consider the following resolution:

That it is expedient further to amend and consolidate as amended the act 31 Victoria, chapter 65, and the acts amending it, respecting the inspection of steamboats, and for the greater safety of passengers by them.

Mr. Alexander Mackenzie raised the objection at that time, stating:

The rules require that, on any bill relating to trade or to alter the laws concerning trade, being brought into the House, the proposition must first be submitted in committee of the Whole. This is a simple notice of the minister's intention to bring in some amendments, and I object to it as being entirely out of order.

To this Sir John A. Macdonald said in reply:

The House can pass a resolution, no matter how vague in its terms, declaring that it is expedient to amend the act. The House can ask for a most specific statement unless it is fully satisfied with that made.

Sir John A. Macdonald further states:

That it is expedient to amend and consolidate the acts. A clearer or more specific statement could not be made.

The Speaker thereupon gave a ruling upon the question. He decided:

That the rule, as generally understood and interpreted by late English practice, simply required the House to go into committee to consider a general proposition setting forth the expediency of bringing in a measure on a particular question; and that consequently in his opinion the proposed motion came sufficiently within the meaning of the rule.

That is the first precedent which appears to have been followed according to Bourinot page 496, and while this notice of motion, I must say, is peculiarly brief and limited, I do not think it is beyond the precedent which has already been given in Bourinot and which I have cited to the House, because the intention is to discuss more the expediency of the proposed amendment and not to give the question the close and intimate examination that the committee of the Whole gives to the bill when it is taken up in committee of the Whole. While I do so with some hesitation, I rule that this motion is in order.

Mr. LAPOINTE: In support of your ruling, Mr. Chairman, may I quote a precedent? On the 11th March, 1914, a resolution was moved reading as follows:

Resolved, that it is expedient to consolidate and amend the Canada Shipping Act and the acts in amendment thereof and various laws relating to merchant shipping.

That was under the government of which my right hon. friend was a specially distinguished member.

Mr. LOW: The lawyers of the House having had their innings, I shall proceed to make a few explanatory remarks in connection with the resolution before the committee. Perhaps there is no measure before parliament at the present time that is of greater interest to the agriculturists of this country than the Canada Grain Act. The Canada Grain Act was passed in 1912. It was framed to meet the needs of that particular day and it has been amended from time to time to meet changing conditions. In 1912 there were 2,037 elevators in this country with a capacity of 108,000,000 bushels, and in 1924 there were 4,169 elevators with a capacity of 251,000,000 bushels. In the crop year of 1913-14 the wheat and oat crop amounted to 474,000,000 bushels, and in the year 1923 the oat and wheat crop was 1,040,000,000 bushels. In the fiscal year 1914 the Canada Grain Board was called upon to inspect 264,000,000 bushels of grain and in the year 1923 it was called upon to inspect 462,000,000 bushels.

As I said before, the old act served its purpose and it will be repealed; the bill I shall introduce following the resolution is a revamping of that act, and enacts also a number of recommendations made by the Royal Grain Inquiry Commission. A number of the old sections have been dropped, some have been changed, and some new ones have

been added. It is intended to deal in extenso with several important matters including the mixing of grain. The House is aware that there is a great difference of opinion in regard to that question; there are those who hold the view that mixing should be prohibited altogether, while others believe that the commercial practice of mixing is economically sound. That subject has been dealt with by the commission and a section has been added to the bill which will give force to their recommendation.

The bill also provides for the cleaning and the disposition of screenings under government supervision. This will involve, if adopted, a very heavy expenditure, and when the bill is referred to the committee on Agriculture it will be for that committee to decide just what action they will recommend to the government in this regard. The bill does away with the Grain Survey Board in the western grain inspection division as at present constituted; it provides for another method of appeal. Certain new grades have been established to cover the new varieties of wheat now grown in the western provinces.

4 p.m.

Sir HENRY DRAYTON: What are those new grades?

Mr. LOW: If my hon. friend had been patient he would have had the names in a moment. They are, Amber Durum, Red Durum, and Canadian Western Kota. Provision has been made to cover these new grades. In 1914 an order in council was passed bringing under the Canada Grain Board all eastern port elevators, but that order in council was never rendered effective. The act is now being amended in order to bring under the board the control of weighing in all the eastern port elevators. Another amendment purposes to make the fees now charged uniform with the fees charged by regulation. Formerly the board required dealers to take out a license; now the onus is to be placed on the dealer to apply for that license. An extremely important change is the bringing of all country elevators, for inspection purposes, under the Canada Grain Board. This implements a far-reaching recommendation made by the commission.

The new bill makes it clear that in all cases the owner of the grain shall decide as to the terminal elevator to which the grain is to be shipped. A minor change, but one which is nevertheless of importance to shippers of grain in the west, is the extension of the time for loading a car, during the months of September, October and November, from 24 to 48 hours. The bill provides also that the Board of Grain Commissioners, with the approval of the Governor in Council, may fix the maximum rate that may be charged by the commission merchant.

In view of the judgment that has just been rendered by the Supreme Court of Canada, it has been thought well to embody in the act a declaration to the effect that all elevators shall be considered works for the general advantage of Canada.

The Turgeon report is possibly the most exhaustive analysis of the grain marketing system that has ever been made in Canada. That commission visited every province as well as a number of the grain centres of the United States; and one member of the commission visited the Old Country to make a special study of the grain trade over there.

These are perhaps some of the major changes that will be effected in the present system by the new bill. But, realizing the tremendous importance of the bill, and the fact that probably never before in the history of parliament were there so many members in the House who are technically qualified to deal with such proposals as those that are now to be considered, I am going to suggest to the House that the bill after it has passed its second reading be referred to the committee on Agriculture. The government, in dealing with this question, requested Mr. Justice Turgeon to prepare the bill and they have thought it well to submit to this committee in its entirety the draft as prepared by him. We shall be glad to have any suggestions that occur to hon. members; in fact, if the committee consider that any changes are necessary in the interests of all concerned in the marketing of grain we shall be pleased to have recommendations along any lines suggested. So far as it is possible, it is the intention of the government to act upon any reasonable suggestion that has for its object the improvement of present conditions in the whole grain trade. What we want is a grain act which, as far as is humanly possible, will give a fair and profitable return to the agriculturists of this country for their toil. The bill will come before the committee of the House and ample opportunity will be given to all hon. members to discuss it. I do not think it is necessary for me to say anything further at this stage.

Mr. CAMPBELL: Is it proposed by the government to establish a system of grading of grain according to the milling value?

Mr. LOW: That matter is under consideration. My hon. friend will have an opportunity of presenting his views on the subject to the committee.

Mr. STEVENS: This bill is one of the most important measures before the Parliament of Canada and it deserves our closest study and the most impartial consideration. It applies not only to the producer of grain but to the system of elevators, which really are, in a sense, common carriers; also to the buying, selling and milling of grain. It affects all these interests, and particularly it affects the producer. A revision of the act is due, as I think all will agree. The act as it stands no doubt served a very good purpose, but conditions in Canada with respect to the marketing of grain have outgrown, during the last few years, the provisions of the present law.

While you have ruled, Mr. Chairman, that the introduction of this legislation by resolution comes within the rules of parliament, the method employed does handicap us in discussing the matter at this stage—and I am not saying this in any spirit of criticism. I approach this bill after years of study of the problem, with an open mind and a desire to co-operate with other hon. members in the enactment of legislation that will meet the growing needs of this vast business known as the grain trade. But I say we are handicapped in discussing the matter at this stage. Indeed, I would be willing to let the resolution pass and say not a word except for this: that the bill will go immediately to a committee of which I am not a member—of which, indeed, only a limited number of hon. gentlemen are members; consequently we cannot have much opportunity to discuss the bill until it comes back from that committee. That is one reason why I had hoped that we should have an opportunity at this stage to discuss the general provisions of the legislation. For instance, if the minister had stated that he was going to treat the question of screenings along some general line we could have had a very useful discussion on that phase of it. Then, there is the question of grading. If it were revealed to us at this stage what the government intended to do, a useful discussion might follow which would guide hon. members who are fortunate enough to be on the committee. I would therefore at this stage crave the indulgence of the committee for a few minutes while I very briefly discuss one or two phases of the question. I want the minister and the government to understand that I am not attacking anything, because there is nothing before us to attack. What I say now I offer merely because I shall have no other opportunity of doing so until the bill comes back from the Agriculture committee.

[Mr. Low.]

Take the question of screenings. For the last seven years at least in this House I have contended with all the vigour of which I am capable that the producer of the grain is entitled to the full value of the screenings that are taken out of his grain when it passes through the elevator. With very few exceptions the producer and owner of the grain has not received anything like the full value of his screenings. In other words—and I do not like to use the word "rob" carelessly, but I can find no other to meet the case—he has been systematically robbed of his screenings. I told hon. members of the House in 1919 when we were discussing the Grain Act, at the time the House was sitting in the Museum—and the famous Price, Waterhouse audit of that time disclosed beyond any possibility of cavil that the case was as I stated it—that the farmer was not getting the value of his screenings at all; in fact, in most cases he was not even getting a slip accounting for any of it. It is possible—and I ask the Agriculture committee to consider this, because I shall not have the privilege of being on that committee—to give to the farmer or producer the full value of his screenings. That was demonstrated for one year—and only for one year, I am very sorry to say—in the government elevator at Vancouver. For some unknown reason they have abandoned the system and this year have adopted the method followed in other places, that of recleaning the screenings. Now, suppose a car of grain is brought to a terminal elevator and is put through the cleaning machine. Out of that grain is taken certain refuse, cracked and broken grain, dirt, and so on; or, if it is wheat, there is removed from it oats or other grain seeds. These screenings are the property of the vendor and he ought to get the full benefit of them. The practice is to run the first screenings through the "money making machines," as they are called; extract from them all the valuable feed seeds, and then say to the farmer or the shipper: "Here is a certificate; you can have the remainder,"—which is nothing but refuse screenings and in most cases worthless. In fact, hundreds of thousands of tons of this material have been dumped into the lake or burned up or sold for next to nothing. The original screenings, on the other hand, is a very valuable product. So I say that in this revision of the act steps should be taken to provide that the shipper of the grain shall receive the full value of his screenings.

Then, there is the question of overages. I venture to say that it will be shown by the annual report of the grain commission

for any year during the last ten or twelve years that without a single exception the overages in all the terminal elevators occur in the top grades, No. 1 and No. 2. Now, how is it done? It is well known to a great many I think who have given it study; it is a simple process. In the fixing of the contract grades of grain, there is a margin between the maximum and the minimum of those grades. For instance, we will take No. 1 grade. It is possible to take say two carloads, one near the maximum of No. 1 grade and the other simply No. 2 grade, and to mix those two carloads and still produce at the elevator two carloads of No. 1 grade. That is constantly done; there is no question about it whatever, and the elevator at the end of the year will find itself short of the lower grades, because it will always grade up, and it will find itself over on the upper grades. An examination of the annual weigh-up and of the annual returns of the grain commission upon any terminal elevator will show the correctness of what I am stating. It is almost as regular as the sunrise that the overage will occur in the higher grades, and if there are any shortages, they will be in the lower grades.

Mr. SALES: Does the hon. member include public terminals, as well as private, in that statement?

Mr. STEVENS: Yes, certainly. I am treading on dangerous ground, I know, in the eyes of some, but I want to say this: I think a public terminal elevator—we will use the term "terminal elevator", an elevator that is used for the handling of other people's goods; I am not talking now of the private elevator belonging to a flour mill or something of that kind—I think as a matter of right a terminal elevator should not be allowed to make any overages at all. I argued this in 1919, and I want to say to my hon. friends to my left that had it not been for their representatives who were then in the House—

Mr. KELLNER: We did not have any then.

Mr. STEVENS: Here is one (Mr. Knox) staring me right in the face. You had about nine or ten representatives including your late leader, the hon. member for Marquette (Mr. Crerar) who though, well, somewhat regularly absent is an honoured member of this chamber, also Mr. J. F. Reid, formerly the member for Mackenzie, also Mr. Maharg, Mr. Levi Thomson, and one or two others. I am not saying this in any spirit of recrimination at all; I am merely citing a fact. I took the stand then that there should not be allowed any overages, but these gentlemen took the stand that an overage should be allowed, and the result was that the present act was amended in 1919. Mr. A. K. Maclean, now Mr. Justice Maclean of the Exchequer Court, was Acting Minister of Trade and Commerce at the time, and he accepted the advice of the hon. gentlemen to whom I have referred, and the act was accordingly framed to permit terminal elevators to create an overage of one-quarter of one per cent. That may seem a very small amount, but if a railway company, for instance, were allowed to extract from the cars that pass along its lines one-quarter of one per cent of the grain it hauls, it would have a mighty nice revenue at the end of the year. My argument is this, and I submit it in all earnestness and seriousness, that a terminal elevator is a common carrier, just like a railway; it acts the same as a common carrier; it is the liaison between the railway and the water, and passes the grain from the railway into the ship; it is really a part of the carrying system of grain; I look upon a terminal elevator as a common carrier, with no more right to exact from its earnings a portion of the commodity it handles than has a railway or a steamship.

Mr. SALES: Or to mix it.

Mr. STEVENS: I will come to mixing in a minute. I say they have no right whatever to extract any portion of the goods they are handling in trust for other people.

Mr. KNOX: Is the hon. member not somewhat confused in his references to overages and mixing?

Mr. STEVENS: Not at all; I think I understand this. I do not want to be dogmatic.

Mr. KNOX: I admit the hon. member knows a good deal of the grain trade for a man not interested in the raising of grain.

Mr. STEVENS: That is a nice little touch, but I am interested in the raising of grain as a matter of fact.

Mr. MORRISON: What would the hon. member recommend doing when the elevator has a shortage? One-quarter of one per cent is a pretty small overage, and if you can find sufficient weighmen throughout the country to weigh as closely as that, you would be a pretty able man.

Mr. STEVENS: I will come to that; it is part of the argument. But I want to establish this first: As a matter of right no elevator

has a right to take a portion of the goods it handles, any more than the railway has. Let us lay that down as a principle. Now I come to the point my hon. friend raises. The point he raises is this—and this is the only defence the elevator can offer. The elevator argues: But we sometimes make a shortage. Now I checked up these shortages—I took the Price-Waterhouse report which was put in the possession of the House some years ago,—and I have checked up dozens of others since, and I find that the percentage of shortage is infinitesimal compared with the overage; it is a mere atom, as it were. I say: Give to the elevator a fair rate of remuneration for the service it renders. I think that rate is pretty good now; as a matter of fact, if I recollect correctly, the average earnings of the elevators at the head of the lakes, without overages, was something like thirteen per cent per annum over a period of years, and if you take away the advantages from screenings it was in the neighbourhood of nine per cent, showing that they were making a fair earning without these extra advantages; and some of them made an earning of one hundred per cent on the capital invested when overages were included in their revenue. I say this: Let the elevator have a fair return for the service it renders, for elevating, storing, handling, insuring, and so forth, the grain. But the moment you say to an elevator or to any common carrier that in order to provide against loss it is permissible for them to take a portion of their cargo or their storage, and that is exactly what the elevators have been doing the last two or three years, and we have been encouraging them so to weigh the grain—I will come to the weighmaster's part of this transaction in a moment—that there would be an overage at the end of the year —it was revealed, it is all on record before this House, that some of the elevators actually paid their superintendents a salary plus a percentage of the overage that they created, thus putting a premium upon extracting in some way or other a portion of the grain that did not belong to them—

Mr. FORKE: Was that actually demonstrated?

Mr. STEVENS: Yes, it was actually demonstrated; it is part of the records of this House.

Mr. KELLNER: What records?

Mr. STEVENS: The Price-Waterhouse report to which I have referred. There is no question of it whatever. I have mentioned it time and again in the House, not in the last couple of years, because this subject has been sub judice during that period.

Mr. KENNEDY (Edmonton): I do not think that is correct, that the Price-Waterhouse report was laid on the table.

Mr. STEVENS: It was laid on the table of the House in 1919. I handled it myself, and worked on it myself, a nice leather-bound report of about 125 sheets of foolscap, comprising the most complete report I have ever seen.

Mr. KENNEDY (Edmonton): Was it available to the public?

Mr. STEVENS: Just the same as any other document is available to the public. For instance, any member or the newspapers could see it; anyone who wanted to could see it.

Mr. GARLAND (Bow River): I think it never was printed.

Mr. STEVENS: It was not printed because it was a very voluminous report, and nobody asked for it to be printed. On the occasion referred to I cited these points regarding overages, and I think that in the contemplated revision of the Grain Act care should be taken that this system of encouraging the creation of overages shall be definitely stopped.

Now, there is the question of the country elevator—

Mr. HOEY: Before the hon. member departs from that point, in view of the inevitability of overages would he consider that the fees derived therefrom should be confiscated?

Mr. STEVENS: I would have them turned over to the government—at least I would have them made use of to reduce the cost of handling this trade. That is what I would do with them. I moved a motion in the House six or seven years ago that $15,000,000—which according to a calculation made that year, prior to the passing of the amendment to which I referred, was illegally extracted from the grain growers of this country—should be returned to the treasury of Canada.

Mr. GOULD: Was not such a provision incorporated in the law and disallowed by judgment of the Exchequer court?

Mr. STEVENS: No, I do not think it ever was. As a matter of fact I think the only change in the law made in regard to it was that we legalized the creating of an overage of a quarter of one per cent, and any

amount above that went to the government elevators.

Mr. SALES: Does my hon. friend intend to deal with the question of the weighmasters?

Mr. STEVENS: Yes, but the point I was referring to in connection with the particular matter under discussion was this: The elevators encouraged their superintendents in this practice by paying a premium on the amount of overages they created; and it has been indicated in the report to which I have referred that there is a question whether or not weighmasters have not been tampered with. I am not in a position to make any charge against the weighmasters that they have been tampered with, but the thing was cited in the report and reference was made to it.

Mr. STEWART (Argenteuil): An amendment to the law has cured that practice pretty well, has it not?

Mr. STEVENS: The condition has probably been ameliorated. As a matter of fact I am informed on very good authority—and I think I am pretty well within the realm of accuracy when I say this, because I recall one case in particular—that a new practice was adopted. That was to fill a car with grain, and put about three or four inches of screenings on top and ship it away from a particular elevator as screenings. One car in particular that I recall was misdirected and discovered in that condition, showing that the elevator had more than the quarter of one per cent allowed and was getting rid of it by collusion with another party. However, I am not desirous of emphasizing that point. The point I want to make in the case of both the screenings and the overages is, that in any amendments to the act the right of the original vendor of the goods ought to receive the most care and consideration, and that the elevator should be treated on principle as a common carrier the same as the railways or the steamship companies.

Mr. McTAGGART: I should like to know what the hon. member would suggest with regard to shrinkage. Would he allow the elevator a certain percentage of shrinkage on grain going into store?

Mr. STEVENS: No. I would say to the elevator just as I would say to anybody else who handles goods in trust: It is up to you to handle the goods so that there will be as little shrinkage as possible. As a matter of fact, from experience, the amount of shrinkage is small, and the elevators should cover it just as a railway company covers its shrinkage claims right along.

Mr. SALES: There are thousands of dollars owing.

Mr. STEVENS: Then there is an undoubted right of claim.

Mr. SALES: They never pay them.

Mr. STEVENS: I would not like to say that; I simply say that the duty of preserving the condition of the goods rests upon the elevator, and there are very few cases where there is any great shortage. It is not the business of parliament to provide against shortage. If you did that you might just as well give an unlimited range of overage; it would be just the same only at the other end of the business. I would give them a fair fee for handling the goods and I would hold them responsible.

Now let me refer to the country elevators. One of the weaknesses in the old act is that it makes very little provision for properly controlling country elevators, and I hope that in the new act that point will be suitably provided for. As to the question of inspection and survey board: it is well known that there is a desire on the part of some, and I think it should be given favourable consideration, that when samples are taken for inspection there should also be a sample taken when the car is unloaded for the purpose of checking up when a survey is called for later on, if it should be called for. For instance, many cars are now loaded so close to the roof that it is impossible to get a proper sample from them—it is impracticable, I will put it that way. This condition is a matter of comment and complaint. It is alleged that in the case of many of the cars—in fact the percentage is put as high as forty per cent—it is impossible to get a proper sample for inspection purposes; and in any case there is a good deal of carelessness in this form of inspection. If it was made obligatory to take a sample of the grain as the car was being unloaded—for the purpose of checking in case of an appeal or in case of a reinspection—it would be a good plan. Furthermore there are those who suggest this as well—that there should be a preliminary inspection say at Winnipeg, or at Calgary or Edmonton if the cars are going to the Pacific, as well as a final inspection; a preliminary or interim certificate should be given and then there should be a final inspection at the point of unloading at Fort William or Vancouver.

Mr. BEAUBIEN: When the hon. member advocates treating terminal elevators as com-

mon carriers would he advocate treating country elevators in the same way?

Mr. STEVENS: I am not prepared to say. However, I do think that a careful study should be given to that point. I want it clearly understood that I am not now seeking to lay down in dogmatic fashion any definite proposals. I am merely citing problems that I think ought to be carefully studied.

Mr. BEAUBIEN: There is no doubt that the committee on Agriculture will take a great deal of interest in what the hon. gentleman is saying, and my reason for asking the question is to see whether he could advance some definite proposition.

Mr. STEVENS: Of course the trouble is this: There are so many country elevators—some belonging to flour mills, some belonging to privately owned terminal elevators, and so on. The terminal elevator is supposed to be entirely separate from the country elevator, I say that advisedly, so it would be difficult to fix definitely upon a principle of that kind with regard to country elevators.

Mr. WARNER: Is it not a delicate matter on account of these elevators also buying and shipping grain for other parties and having different kinds of grain in their possession?

Mr. STEVENS: That is exactly what I mean. It is a delicate matter; I do not think the principle could be applied arbitrarily to the country elevator.

Another point in connection with grading and inspection is this. A considerable difference has been noticed in the fixing of the grades by different inspectors. Some method ought to be devised if possible, or the present method so revamped, as to bring about a more uniform system of inspection, of grading, throughout the country. That, I think, is very necessary; I have received recently some very serious complaints regarding this inspection on the westward route in comparison with the eastward. In fact I think it was the mayor of Edmonton who made very serious charges in that line. This act should be of a character that would make impossible, as far as it is humanly possible to do so, any difference in that way.

Mr. SALES: Would the hon. member explain how he would amend the grading to accomplish what he has just described?

Mr. STEVENS: No, I do not claim to be competent to do that. I do claim some knowledge of the Grain Act, and I claim that one can study this business and probably get an intelligent grasp of it; but when it comes down to the technique of actually fixing a grade of wheat, I do not for a moment claim to be qualified to do it, and indeed, I think it is a qualification that perhaps is not held very generally.

Mr. BROWN: Does the hon. member not think that if there had been that difference in inspection as between the two different places, that might almost naturally result from the human element that almost always enters into the matter of the grading of grain, and that no matter what regulations we might make we would be up against that proposition?

Mr. STEVENS: I said that as far as humanly possible we might amend the regulations to be applied as I have suggested; and you cannot go further than that, so long as we are on this terrestrial globe. Then there is the question of marketing, a very wide and important subject. The amendments are supposed to deal with that matter, and it is rather unfortunate that we have not before us some intimation of the general direction that this act is intended to take upon these major subjects. I offer these observations entirely in the dark as to what the act itself contains, but hoping that when the act is brought back to this House these major subjects, and others arising in connection with them shall receive the consideration they merit.

Mr. KNOX: I should like to have the hon. gentleman go a little further. I am sure we are very much interested in his remarks. An observation was made by the minister a few moments ago in regard to cars which had been consigned by producers going through to the elevator to which they are consigned. I should like to have the hon. member deal with that a little further, because it looks to me as if that may have the effect of overcoming the difficulty that is brought about by millers having the right to select and switch cars to other places than those to which they were consigned. I ask the hon. gentleman this question because he is not a member of the committee on Agriculture and we want to have his assistance in this matter.

Mr. STEVENS: I think the hon. member for Prince Albert (Mr. Knox) has invited a little further discussion of this subject, rather than an answer to a definite question. Personally I do not wish to offer any dogmatic opinion, but I do hold very strongly to this principle—and I think if the hon. member will keep a few of the main principles in mind it

will greatly assist; at least I find it does assist in studying this and similar problems—that the owner of the wheat, the man who ships it, in most cases the producer, is the one who should determine the course that that shipment shall follow. If he desires that wheat specifically consigned to a certain elevator, undoubtedly it should find its way to that destination.

Mr. LOW: That is provided for in the bill.

Mr. STEVENS: If the minister had been in the House a little while ago he would recall that I said that whatever observations I made were offered in good faith and in entire ignorance of what was to be enacted by the bill. It should be kept in mind in all this legislation that the two objects of parliament should be first to safeguard the right of the owner of the commodity to the direction of that commodity until he parts with the ownership; and second, that back to the owner shall come the full return for his commodity less the exact cost of handling, such as freight, elevation, insurance and storage.

Mr. HOEY: How would the hon. member work it out in the case of mixing? I do not think he dealt with that.

Mr. STEVENS: I am glad my hon. friend referred to it. Under the present system you give a man a warehouse receipt which gives him, not the ownership of a specific carload of grain, but the ownership of a certificate of a No. 1 grade or No. 2 grade—a contract grade. I hold, and have held for seven or eight years, that it would be distinctly to the advantage of the grower if he would make a sample market a practical issue in this country instead of what it is now, something that is shelved; so that a grower could sell his wheat on sample. For instance last year my friends from Alberta shipped hundreds of carloads of wheat to the coast—I think I am safe in saying that—weighing sixty-six pounds to the bushel. They did not get the advantage of the excess weight or the extra grade. They may have got some slight advantage in some cases, but in the main they did not get the advantage. If they had been able to sell that wheat in Vancouver on a sample market they would have got the full advantage, or at least the full advantage less the ordinary shrinkage. But here is what happened. A man sells a carload of wheat weighing sixty-six pounds to the bushel. It goes in and is mixed with probably some carloads of No. 2 grade. That raises the No. 2 grade to No. 1, and the dealer, not the farmer, gets the advantage. For the shipper to get the full advantage of his high grade, there is only one way that I know of, and that is by selling on sample market. I recall a case in Minneapolis, last winter or a year ago last winter, where a certain producer sold three carloads of wheat. The wheat came into the Minneapolis yards and he called up one or two dealers. One dealer offered him nine cents, I think it was, above the quoted contract price. It was extra fine No. 1, and he thought he should get more. He telephoned to a dealer just outside of Minneapolis, who came in and examined the wheat and gave him nineteen cents premium on it. He got that additional price because he sold on sample. Had he sold that on a contract grade he would have got No. 1 and he would have got what was quoted in the Minneapolis market for it.

Mr. BROWN: Do you think an efficient sample market would be possible, apart from either a milling proposition or such a terminal at Vancouver? For instance, as applied to Vancouver?

Mr. STEVENS: I presume what my hon. friend means is this: Is the sample market possible without recognizing the principle of mixing?

Mr. BROWN: That will enter into it to a degree; but apart from a large milling proposition such for instance, as they have at Minneapolis.

Mr. STEVENS: I think undoubtedly the stimulation of milling in Canada would bring an immense return to the producer in Canada. I do not think there is any doubt about that. I will not say a sample market would do it, but I recognize that it would help. I know I am not voicing the opinion of any large number of the producers of wheat on the prairies to-day, as far as I have been able to learn—and I have watched them closely for some years—they have rather resisted it. But I do believe the establishment of a sample market—and the law at present permits of it—would be of distinct advantage to the producer of wheat, and I think perhaps a concentration upon the establishment of such a market would bring a larger reward than any other single redress or reform in the grain movement.

Mr. EVANS: Does the hon. gentleman think this is applicable, if you take into consideration the transfers the grain has to go through before it reaches the seaboard?

Mr. STEVENS: In the case of the establishment of a sample market, naturally it would have to be established at Fort William

or Winnipeg. With Fort William as one shipping terminal and the Pacific on the other side, you could not preserve samples perhaps of small quantities and ship through the various transfers; my hon. friend is quite right in that. That, however, does not affect the small dealer or producer, the one- or two-car lot man, because then the grain passes into the hands of the big dealer with shipments from Fort William in cargo lots.

Mr. COOTE: I am very much interested in this question of sample markets. I would ask the hon. member how we could possibly have a sample market in our shipments to Vancouver? At the present time the farmer cannot ship his individual car there. He is under the permit system.

Mr. STEVENS: My hon. friend is quite right. I think the permit system ought to have been abolished this year absolutely. I understand it is not officially in existence, but it is in practice. The only way in which you can establish a sample market at the coast is to establish a cash market. That, however, does not alter the desirability of it and the necessity of establishing it. The restrictions regarding shipments to the Pacific coast were brought about by the congestion last year owing to lack of facilities. That does not apply this year because facilities have been added and there is ample elevator capacity there now.

Mr. BALDWIN: The hon. member for Vancouver Centre (Mr. Stevens) touched a point with which I am very conversant. It is a great mistake either to dump screenings or to burn them. Last autumn I bought screenings at $28 per ton. When they arrived I noticed that the feed was heavier than corn and I made a remark that it must have got in it a considerable quantity of sand or other commodity such as is put into phosphate and other things. I purchased some young pigs, and knowing that this feed was too heavy without mixing it with shorts, I mixed it. Those pigs were sold last Monday by myself when I was home for 12½ cents per pound live weight, the buyer taking delivery from my hog houses—so that the House may understand that I know what I am talking about, I was brought up on a farm by a very public-spirited father who had a large number of hogs, sheep, cattle, horses and poultry. Moreover, I was a miller by trade, the only trade that I ever learned. I was a young boy at the time and I kept at that trade until I was twenty-five years old—when the cheque was sent me, I found that the pigs weighed considerably over 200 pounds each. My hog house has a cement floor and cement walls, and the frost never enters it. That screenings should be burned or dumped into the water is a most deplorable mistake and a tremendous loss to this country. Corn costs about $3 per hundred pounds. I notice the ex-Minister of Agriculture (Mr. Tolmie) smiling. I do not doubt that he should. Let me tell the committee that after feeding a ton or two of these screenings—and I have bought and sold a good many tons—if corn had been brought from ten miles away and I had been asked to exchange the screenings for the corn, I should not have made the exchange. This feed was not mixed with milk. It was thinned down with water principally and no vegetables were boiled to go with it; it was simply a mixture of screenings and shorts. I am speaking only in regard to the statement of the hon. member for Vancouver Centre that these screenings were useless and were being dumped into the water or burned. When I was a miller, people used to bring screenings to me, and the unfortunate thing about them was that they were brought in wet and it was hard to grind them down so as to kill the weed seeds. The screenings that I fed to these hogs were very dry and ground fine so that I am sure no foul seeds will be brought into our part of the country by buying these screenings. On the whole, I made a profit of over thirty per cent by feeding these screenings to pigs six weeks old that were bought at $5 a pair. The committee can see the great advantage of keeping those hogs and the enrichment to the soil this spring, with three or four feet of very rich dressing in the hog house to be spread on the land. When I think of boys standing on street corners, smoking cigarettes, looking for a job, with the rich fertile land we have everywhere in this country, these boys could buy these screenings from the west and feed hogs or sheep and make money on the farm. I may say that these screenings seem to act as a tonic and the hogs were kept in a healthy condition. The screenings were much better than corn, because you cannot give corn to small pigs as it is too heavy. The farmers in the west should see to it that no screenings are allowed to be burned or dumped into lakes. Let them ship them east and I will buy a good many carloads and pay a good price. A few years ago I heard an hon. member say in this House that screenings were exported to the United States. It is no wonder agriculturists there can grow hogs and ship them into this country. We should use our own screenings in Canada and fertilize the soil. I was induced to speak because of

the statement of the hon. member for Vancouver Centre. I presumed my knowledge of digging and scratching the soil and of the milling trade was better than that of my hon. friend because he did not seem to think that it was any great waste to burn or to dump these screenings into the lake.

Resolution reported, read the second time and concurred in. Mr. Low thereupon moved for leave to introduce Bill No. 113, respecting grain.

Motion agreed to and bill read the first time.

CANADA TEMPERANCE ACT

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the Canada Temperance Act to provide that if by the laws of the province intoxicating liquor can lawfully be sold only by or under the authority of the province or the government thereof, said prohibition shall nevertheless remain in force as to all intoxicating liquor not belonging to, nor imported, nor sold by or under the authority of, the province of the government thereof.

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

Mr. LAPOINTE: In 1919 this parliament enacted an addition to the Canada Temperance Act, constituting part 4 of that statute. Under that enactment it is provided that when the legislative assembly of any province in which there is in force a law prohibiting the sale of intoxicating liquor passes a resolution asking the Governor in Council to issue a proclamation for the holding of a plebiscite on the question whether the people of that province desire to have the importation of liquor into its territory prohibited, the Secretary of State shall take the necessary steps for the holding of that plebiscite. It is further provided that if the people of the province vote in favour of prohibiting the importation of liquor into such province, then an order in council shall be passed giving effect to that expression of the popular will. Thereafter no person shall import liquor into that province. There was however a proviso that this provision should not apply to intoxicating liquors imported for sacramental, medicinal, manufacturing or commercial purposes; nor was it to apply to any intoxicating liquor which, under the laws of the province or territory in which prohibition might be in force, might be lawfully sold therein.

Many provinces took advantage of that law, among them Alberta, Saskatchewan, Manitoba, Ontario and the three Maritime provinces of Nova Scotia, New Brunswick and Prince Edward Island. Everything went all right until the three prairie provinces of Alberta, Saskatchewan and Manitoba amended their law and adopted the principle of government control of the sale of intoxicating liquor under the authority of the province alone. But there was some doubt; certain people claimed that inasmuch as the sale of certain liquors was lawful in those provinces the prohibition of importation could not continue.

Sir HENRY DRAYTON: Was not the situation the same in Quebec?

Mr. LAPOINTE: No; Quebec and British Columbia never came under part 4 of the Canada Temperance Act. The case was debated before the courts in Alberta, the province claiming that apart from the liquor imported by the government for
5 p.m. purposes of sale by the province under the law that had been adopted, all other importation of liquor was still prohibited. Private parties however maintained that the change in the law of the province had the effect of withdrawing the province from the provisions of part 4 of the Canada Temperance Act. The question went as far as the appeal court of Alberta and the majority of the court, three judges against two, held that part 4 of the act still applied to all liquors except those imported direct by the province for sale under the provincial act.

Now the three provincial governments of Alberta, Saskatchewan and Manitoba, in order that there shall be no doubt about the matter and that the whole question may be cleared up, have applied for legislation declaring that, notwithstanding that under the laws of the province intoxicating liquor may lawfully be sold, by or under the authority of the province or the government thereof, the prohibition shall nevertheless remain in force as to intoxicating liquors not belonging to nor imported, nor sold by the province. In other words, what is required is merely a confirmation of the majority decision of the Alberta court. It is in order to remove any doubt in the matter that this legislation is being presented to the House; the object is not to change the law but merely to clarify it.

It has been the policy of this parliament during the last few years to give effect to the will of the provinces in this matter, and the three provinces in question are a unit as to the desirability of this legislation. That is the reason for the present resolution.

Mr. LADNER: Does this affect either British Columbia or Quebec?

Mr. LAPOINTE: No.

Sir HENRY DRAYTON: I suppose that there is a distinction in the case of British Columbia and Quebec in that, as the minister has pointed out, those provinces did not take complete advantage of part 4 of the act, inasmuch as they were never temperance or "dry" areas in the sense that part 4 implies.

Mr. LAPOINTE: They were dry areas to a certain extent but they never availed themselves of the amendment of 1919 which gives the provinces the liberty of asking for a plebiscite to decide the question of prohibiting imports.

Sir HENRY DRAYTON: So that as the resolution stands there is no Dominion prohibition of imports into either Quebec or British Columbia.

Mr. LAPOINTE: I do not think there is; but so far as Quebec is concerned, certain provincial authorities think that under their own law they can prevent importation. I have grave doubts however that this would be held as valid by the courts.

Sir HENRY DRAYTON: I did not mean to raise that point; I simply wanted the situation understood so far as we are concerned. My hon. friend's position, which I think is absolutely right, is that there is no Dominion prohibition against importation into either Quebec or British Columbia. Once upon a time, I may remind the hon. gentleman, he would not have agreed to this legislation; I remember when the previous government was putting similar legislation through the House, certain gentlemen particularly from his own fair province considered it a terrible outrage that we should subordinate the functions of the Dominion to those of the provincial legislatures.

Mr. LAPOINTE: I think my hon. friend has a vicious memory.

Sir HENRY DRAYTON: Unfortunately, a true memory.

Mr. BELAND: Treacherous.

Sir HENRY DRAYTON: No, accurate this time. But I want to congratulate the minister (Mr. Lapointe) on his growth in liberal thought—thought for the wishes and the will of the people, and the desire to give them expression. He is treading in good steps in following the policy of the past government.

Mr. LAPOINTE: I hope my hon. friend will follow me in that respect.

[Mr. Ladner.]

Sir HENRY DRAYTON: I have much pleasure in supporting the resolution.

Mr. STEVENS: I have here the minister's answer to the question of my hon. friend (Mr. Ladner), but unless this resolution is the opposite of the one which we have been considering in regard to the Grain Act, so far as its intention is concerned, then I think the minister is in error. He may not intend it to apply to British Columbia, but as I read it, it means that it shall be illegal to import into any province the laws of which provide that the government shall have control of the sale of liquor. In other words, it is doing what I think the Attorney General of British Columbia asked the minister to do two years ago, in a slightly different way. I am not now expressing an opinion one way or the other as to the advisability of it, but I would like to be assured of the accuracy of my analysis.

Mr. LAPOINTE: My hon. friend will see from the bill that it cannot apply to British Columbia.

Mr. STEVENS: The minister assures us definitely that it does not apply to that province?

Mr. LAPOINTE: No, it does not apply.

Mr. TOLMIE: And that will be made clear in the bill?

Mr. LAPOINTE: Yes. Section 154 of the Canada Temperance Act, which is amended by this legislation, is the section under part 4, which has never applied to British Columbia or Quebec.

Mr. LADNER: Has the government not had a request from the Attorney General of British Columbia in this connection?

Mr. LAPOINTE: Yes, that is under consideration, but it is not dealt with in this bill.

Mr. GOULD: The minister stated that certain provinces, Saskatchewan included, had availed themselves of the provisions of part 4 of the act. Does the department in that event issue licenses to individuals living in the province to manufacture beer?

Mr. LAPOINTE: That does not come under the head of this legislation.

Mr. GOULD: The minister admits that licenses to manufacture beer may be granted to individuals living in provinces which have availed themselves of the provisions of part 4 of the act?

Mr. LAPOINTE: I would not like to answer that immediately. I have not gone into the matter at all, because it is not dealt with or referred to in this legislation.

Mr. GOULD: I have before me statements made by one of the police in a certain western province that such licenses are granted, and the people are questioning whether it should be done when the province has placed itself on record as being opposed to it.

Mr. LAPOINTE: The Canada Temperance Act did not prohibit the manufacture of liquor. It prohibits the import and sale of it within the province.

Mr. GOULD: That is the point I am trying to bring out. If each individual in the province received a license for the manufacture of beer, any provincial measure would be of very little use.

Mr. LAPOINTE: That is quite another question. I think I am doing as much as I can to remedy what my hon. friend has in mind. He will have to apply to somebody else if he wants more.

Mr. BROWN: British Columbia and Quebec would come under the provisions of this act if they at this or any other time took the same action as has been taken in the prairie provinces?

Mr. LAPOINTE: Yes. They would have to hold a plebiscite.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 114, to amend the Canada Temperance Act.

Motion agreed to and bill read the first time.

ROYAL CANADIAN MOUNTED POLICE ACT AMENDMENT

PENSIONS

Hon. ERNEST LAPOINTE (Minister of Justice) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend the Royal Canadian Mounted Police Act by providing that pensions to officers, their widows, and constables granted prior to the seventh day of July, one thousand nine hundred and nineteen, may be readjusted in accordance with the rates of pay for officers and constables provided by the said act as amended prior to and on the seventh day of July, one thousand nine hundred and nineteen, but no such readjustment shall authorize the increase of any payments for pensions that accrued before the passing of the proposed legislation.

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

Mr. LAPOINTE: For many years there has been in this parliament a demand for the redress of what was stated to be a very great injustice to old, retired members of the Royal Northwest Mounted Police, these men were the pioneers in this work in the Northwest Territories, and their pension upon retirement was very low and not commensurate with their needs, especially when compared with the present scale of pensions given to officers and constables of the Royal Canadian Mounted Police. Two years ago, and especially last year, I was urged very strongly by almost all members of the House to make this matter a special one and to grant relief to these old men. The present resolution is for that purpose. We propose to give to the old, retired members of the police force an increase of pension equal to that to which they would have been entitled had they retired in 1919 About 90 or 95 men will be affected, and the additional expenditure, which will, of course, decrease as the men disappear, will be $28,-220.12. The present total amount of pension under the old scale is $31,387.18, and the total under the new scale will be $59,607.30. As I said, this is to give effect to the wish of the House.

Mr. BROWN: I think the hon. minister is to be congratulated on having brought in this bill. There is no body of men to whom Canada owes more than the old members of the North West Mounted Police. I do not think we always appreciate the work they did in preserving the good name of Canada. We like to remember that lynch law has never been known in Canada, and perhaps these men of the Royal North West Mounted Police did more than any other body of men to preserve us from the lawlessness which sometimes tends to bring about lynch law. There is none of us who have lived on the prairies for the last forty years or more who have not been acquainted at some time or another with some of these men. I remember speaking with Major Walsh on this matter. He said that such a body of men as he took out in the early days were hard to gather together, a body of men to whom Canada owes a great deal. It is perhaps tardy justice that we are rendering them now, and I for one would like to congratulate the minister on having yielded to the pressure, although I am sure it did not require much pressure, for his sympathies were with the men, and having brought in this measure.

Mr. EVANS: I am very glad the government has at last seen fit to do justice by these old mounted policemen. There are not many

of them left now, and I do know some of them are in very poor circumstances. When some of them get sick I know that others have to support them in the hospitals, and in many cases their comrades have had to put up their funeral expenses. Speaking as one who went out on the prairies some thirty-five years ago, I can testify to the worth of this body of men. Even yet I do not think that justice is being done to them under this bill. I do know that when the rebellion broke out in 1885 these men were placed under Militia orders and served as militia men during the whole of that time. The others who took part in that rebellion were granted, I think, some 240 acres of land each as scrip. I do not suppose the government purposes giving these men that allowance at this time, but I am very glad to see that at all events they are placing them beyond the pale of what must be for many of them real want. I am personally acquainted with many of them, and I have sometimes wondered how they have lived, some of them on less than fifty cents a day. I think the minister is to be commended for at least giving them this justice at this time.

Mr. STEVENS: I am simply going to voice what has already been said as to the desirability of this legislation, and to say that the minister is undoubtedly to be commended for bringing in this legislation at this time.

My hon. friend from Saskatoon (Mr. Evans) has just referred to a matter which is distinct from this particular measure; that is the recognition of the claim of these old members of the force to scrip. What they are asking is not only recognition in the form of granting them scrip, not so much that, but it was obvious some blunder or oversight took place immediately following the rebellion which they feel left a certain reflection upon the force, that they had not been serving within the military forces, whereas all the records I think indicated that they certainly had. They have asked for that scrip for the purpose of definitely settling their due, their right. However, that is a matter that does not come up under this legislation. This legislation is going to do a measure of justice at least to some of the most deserving citizens of Canada, and I personally am very grateful to the minister that he has brought it in during this session, and that we shall now be rendering at least a measure of justice to these very deserving veterans.

The other subject perhaps is one which the minister will bear in his memory and give some further consideration, and perhaps when this section of the grievance, if I might so term it, has been removed, it will allow a purer and a whiter light to play upon their other modest demand, and I hope that at a future day it will result in the same measure of justice being done.

Mr. KNOX: I wish to add my word of congratulation to the minister for at last having brought this legislation before the House. A number of us have been pressing for something of this kind both in the last parliament and in the present one, and it is very, very satisfactory to us to find that this legislation is at last being put through.

As regards the issue of scrip to the mounted police, we are not pressing it at the present time, but I would like to say, as the last speaker did, that we hope the minister will keep that in mind, because I would like to point this out: There are very many mounted policemen who are eligible for scrip to whom the pension will not apply, for the reason that a man has to be in the force for some twenty years before he is eligible for pension, and many of these men have been in a much shorter term that that. Many of them are not getting a pension, and yet they were discriminated against as regards the issue of scrip. I merely state that in passing. I rose to congratulate the minister for bringing down this measure.

Mr. SPEAKMAN: I would like to ask a question for information, and I need not say that in common with the other members of the House who have spoken, particularly those who have been on the prairies a good many years and have come in touch with this fine body of men, that I am glad to see this legislation brought in. I notice that the resolution provides for pensions to "officers, their widows, and constables." That means, I presume, that the widows of officers are pensionable, but not the widows of constables. Is that the interpretation?

Mr. LAPOINTE: Yes, that is the old law.

Mr. SPEAKMAN: So I understood. I just rose to inquire whether the wording expressed the exact intent of the act, or whether it was misleading.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 115 to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the first time.

On motion of Mr. Lapointe the bill was read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Readjustment of pensions granted prior to July 7, 1919.

Sir HENRY DRAYTON: Would the minister consent to the word "may" being changed to the word "shall", and let all those who are entitled get the benefit of the provision?

Mr. LAPOINTE: The word "may" is usually employed as my hon. friend knows.

Sir HENRY DRAYTON: Under certain circumstances but not always in connection with matters which involve a judicial interpretation.

Mr. LAPOINTE: I have no objection to making the change; it is a question of taste.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

ROOT VEGETABLES ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

Resolved, that it is expedient to amend The Root Vegetables Act, chapter 43 of the statutes of 1922, and to provide,

(a) for a standard grade for onions of a uniform size, the abolition of the grade known as "sample quality" and the substitution of a grade to be known as "ungraded"; and for the definition of peeled onions;

(b) for permitting potatoes, onions, artichokes, beets, carrots, parsnips and turnips to be offered for sale by measure in quantities of one bushel or less instead of by weight, but the weight of the contents thereof shall be proportionate to the weight of the contents of one bushel of such vegetables, as prescribed;

(c) for making an inspection certificate signed by an official inspector prima facie evidence of the grade and condition of the vegetables or packages to which the certificate refers; and

(d) for exempting from the operation of the act certified seed potatoes only, as defined in the regulations under The Destructive Insect and Pest Act.

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

On paragraph (a):

Mr. MOTHERWELL: The vegetable growers of Ontario and of British Columbia have got together on this question of a grade for onions. It is not a matter that affects very many members of the House, but it is very important to the people concerned. They have come to a compromise on the subject, and have made the suggestion that this be a fourth grade. This quality does not belong to the top grades; the top grades remain as they are. This will be an onion of lower quality and instead of it being known as a sample quality of Canadian onion —which is a mistaken name when there are so many Canadian onions of better grades—those concerned have decided that it shall be known as "ungraded". Then there is the matter of "peeled" onions. There is no grade called "peeled". Yet if an onion is treated in such a way as to cause a blemish, it is called a peeled onion and cannot go into the higher grades. We are providing for a more satisfactory definition.

Sir HENRY DRAYTON: What has been the difficulty in regard to onions under the grade "sample quality"?

Mr. MOTHERWELL: The difficulty was this: These onions were going forward to Cuba, for example, under the grade of "sample quality" resulting in the impression that this was the highest quality of Canadian onion when there were three higher grades. In that way the reputation of Canadian onions was being injured. It was not the dealers but the producers that were making complaints. As far as British Columbia is concerned it was claimed on behalf of one section that it was orientals who were wanting to regrade these onions and send them forward under the grade "sample quality"; in other parts of Canada there was a desire to maintain the grade. It was thought better that these particular onions should be ungraded rather than go forward as sample Canadian onions. I think that when the bill goes to the committee and representatives of the vegetable growers are heard there will be no difficulty in arriving at a satisfactory conclusion. I saw a note in one of the newspapers indicating that we were going to have a grade called "peeled" onions, as if we were going to legalize such a grade, when, as a matter of fact, they are blemished onions.

Sir HENRY DRAYTON: I think the minister ought to object to the use of the term "blemished." A peeled onion ought not to be a term of reproach.

Mr. MOTHERWELL: What does my hon. friend suggest?

Sir HENRY DRAYTON: I think onions with a blemish ought not to be classed as "peeled"; we all prefer onions peeled.

Mr. MOTHERWELL: Out on the farm we say "cleaned" onions. That is not quite as strong; of course we want to get away from these bucolic titles.

Mr. GRAHAM: The constituency which I represent is very much interested in the onion trade—I think, perhaps, more so than any county in the Dominion. There has been a difference of opinion there; but I think the whole organization in the county is in favour of removing this grade called "sample quality" for the reasons outlined by the minister. They have had several deputations here and I think as a result of a compromise it was decided to substitute "ungraded" for "sample quality."

Paragraph agreed to.

On paragraph (b):

Mr. MOTHERWELL: The House will probably recall that two years ago we introduced for the first time the principle of selling vegetables on the basis of weight rather than measure. A practice had prevailed for years of selling potatoes by the bag. But there is no standard sized bag in Canada and these bags would run all the way from seventy-five to ninety pounds; no one ever knew when he bought a bag exactly what he was going to get. I think in some places it would represent a bushel and a half, ninety pounds, whereas at other places it would only be eighty pounds, and in other places still only seventy-five pounds. We introduced the principle of selling these articles by weight, but it has created a certain amount of disturbance in the local markets, for example the market in Ottawa and elsewhere, where the practice has prevailed on the part of the growers of selling by the measure—that is by the peck or the gallon. Hence we are conceding to them the right to sell anything under a bushel by measure but the weight by measure must bear an exact relation to the weight if sold by the bushel. We will take the case of a peck of potatoes. It must contain fifteen pounds of potatoes when you come to weigh it. Now if the buyer challenges it, and asks "Is this a peck of potatoes?"—the seller says, "Yes, it is a peck of potatoes; it is a peck measure." Then the purchaser will say, "Are there fifteen pounds in it?" and the seller says, "Yes." Then the buyer feels sure he is getting a peck. On the other hand, if there is no weight designation a peck measure might contain very much less than a peck. It depends on how full he packs the container, and how large the potatoes are. I think my hon. friend from Victoria and Carleton (Mr. Caldwell) understands this. In order to give the weight in a measure of vegetables it must be well rounded up, and that of course depends on who is rounding it.

[Mr. Motherwell.]

Mr. CALDWELL: I will admit I do not understand this clause. First the minister says they may sell by measure, and then he says the measure must weigh so much. I do not see the force of that. I think if he said "Sixty pounds shall be a bushel of potatoes," or "A bushel of potatoes shall weigh sixty pounds," it would be sufficient. If the section provided that they should not sell by measure at all, but that they should stick to the old principle of selling by weight, we would be on safe ground. In some cases a person will buy a gallon of potatoes, a four-quart measure; if you get one big potato in it and another potato crossways over it, you have got it rounded up with potatoes, but you have not ten pounds. I am sorry to see the minister departing from the principle established two years ago. I agreed with the former bill, and I thought it was right, but under this measure I think a chance is given to the retailers to evade the law when they are permitted to sell by measure. I believe the minister is affording opportunity for a good deal of trouble, because there is no doubt in a great many cases when the potatoes are measured out it will be found that a peck does not weigh fifteen pounds. It depends on the size of the potatoes. If they are medium size there will be fifteen pounds in a peck measure, but if they are large size there will not be fifteen pounds in the measure. If they are small size there may possibly be more than fifteen pounds.

Mr. MOTHERWELL: I agree with my hon. friend, as I did on the previous occasion, that the weight is the proper standard for selling. There is no recognized size of bag; but in the open market the practice of selling by measure has been established; and while it is easy to establish what we call a principle, when you come to administer that among people who are accustomed to something else and do not see the sense of introducing this weight business, or dispensing with the peck or gallon measure, they do not favour it, because they find it more convenient to bring in a load in bags and measure it out by gallons. However I can see no harm in it. As a matter of fact we allow them to sell potatoes by the peck. They can sell potatoes by the peck, but they must have fifteen pounds of potatoes in the measure.

Mr. CAHILL: Does that apply to peanuts?

Mr. MOTHERWELL: No, they are not classified as vegetables. They do not grow the same way.

Mr. CALDWELL: Does the minister say that peanuts do not grow the same way as potatoes? I would like to correct him on that. I am surprised to find one vegetable that the minister does not know about. The law permits them to sell by measure to weigh so much. I think the minister is confusing the matter by allowing both measure and weight. I do not think the clause has any force. I think if he sticks to sixty pounds to the bushel he is on safe ground. If a grower or dealer sells any part of a bushel the proportionate weight should be maintained; a quarter of a bushel must weigh fifteen pounds. I am not objecting to this clause, but I think there will be confusion.

Mr. MOTHERWELL: If the hon. member is not objecting, then let it go through.

Sir HENRY DRAYTON: I think the confusion pointed out by the hon. member for Victoria and Carleton is very plain and the bill is wrongly entitled. What really we are doing here in this bill is to say that fifteen pounds can be called a peck. We are saying that you can sell fifteen pounds of potatoes in a peck measure so long as the potatoes are packed so as to weigh fifteen pounds. If the resolution were given effect to in the way the minister introduces it, there would be no change in the law, except that we are calling fifteen pounds a peck. But as a matter of fact that will never happen at all. You might as well strike out the provision as to weight and say potatoes can be sold by measure. It is idle to say that anyone buying by measure is going to bother about weighing the goods afterwards.

Mr. CALDWELL: I remember when the Root and Vegetable Act was passed in 1923, I think it was, we abolished the weight of the bag and the weight of the barrel. Did we also abolish the weight of the bushel?

Mr. MOTHERWELL: Oh, no.

Mr. CALDWELL: It is my impression that we did.

Mr. MOTHERWELL: There is a standard bushel but not a standard bag.

Mr. STEVENS: There was a standard bag at one time.

Mr. MOTHERWELL: Not for potatoes that I know of—not all over Canada.

Mr. CALDWELL: If the private conversation going on in the chamber is over, I should like to repeat my question. Was the standard bushel abolished in 1923?

Mr. MOTHERWELL: No.

Mr. CALDWELL: If the standard bushel was not abolished I cannot see much force in the clause. I think we are making for confusion. If we stick to sixty pounds to the bushel we will work it out all right. If the purchaser gets a gallon he gets seven and a half pounds, and if he gets a bushel he gets sixty pounds.

Mr. MOTHERWELL: We are just confirming what we are doing in practice at the present time. The present statutes do not quite confirm the interpretation which we have been putting on the act, and this is to confirm it. I think where an old-established practice has been built up of using a measure, so long as the customer gets what he believes he is buying, it is all right. If you sell by measure without regard to pounds, believe me there is no Irishman in this room who does not know that you can pack the goods in such a way that there will not be a quarter of a bushel in it. There will not be over thirteen pounds in the measure, and that is what we want to avoid.

Paragraph agreed to.

On paragraph (c):

Mr. STEVENS: Are the inspectors under this act a separate group of inspectors for the purpose of administering it?

Mr. MOTHERWELL: This is the Root and Vegetables Act.

Mr. STEVENS: In the minister's department he has roots and vegetables, and also eggs. Would it be the same inspector for the eggs, for instance?

Mr. MOTHERWELL: This is called the Root and Vegetable Act, but the same inspector performs both functions.

Mr. STEVENS: But it does not include eggs?

Mr. MOTHERWELL: Not in the one branch.

Mr. CALDWELL: I think paragraph (c) is worded exactly like an amendment I moved last year that got its first and second reading and never became law.

Mr. MOTHERWELL: I think it covers that.

Mr. CALDWELL: It is absolutely necessary.

Paragraph agreed to.

Paragraph (d) agreed to.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 116 to amend the Root Vegetables Act.

Motion agreed to and bill read the first time.

FRUIT ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Fruit Act, chapter 15 of the statutes of 1923, by providing,—

(a) For the abolition of combination grades of apples, crabapples and pears;

(b) That the minister, with the approval of the Governor in Council, may prescribe additional grades for individual kinds of fruit, and prescribe the kinds of fruit to which such grades shall apply; and make such regulations as may be necessary to make effective the proposed provisions, from the date of their publication in the Canada Gazette;

(c) That every person who, by himself or through the agency of another person, packs fruit in closed or open packages intended for sale, or who offers for sale or sells fruit, and quotes or represents such fruit to be of any grade specified in section 3 of the act as amended or regulations made thereunder, shall cause to be shown on the package or on an approved label attached thereto, the grade and other marks required under the act, and in the event of such fruit not complying with the grade mark thus designated, such person shall be guilty of an offence under the provisions of the act.

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

Sir HENRY DRAYTON: What does this combination grade mean?

Mr. STIRLING: The combination grade, I think, was introduced some years ago at the request of the fruit growers, they believing that it would aid the sale of fruit in the market. It was very soon discovered that it did not have that effect. There was very little demand in the markets for combination grades and the Canadian Horticultural Council therefore asked the minister if he would be good enough to amend the act so as to remove the combination grade.

Resolution reported, read the second time and concurred in. Mr. Motherwell thereupon moved for leave to introduce Bill No. 117 to amend the Fruit Act.

Motion agreed to and bill read the first and second time.

MEAT AND CANNED FOODS ACT AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of Bill No. 73, to amend the Meat and Canned Foods Act.

[Mr. Caldwell.]

Mr. STEVENS: I think I asked the minister this question the other day and I am going to ask it again to make sure. Does this include canned salmon? The minister was not very certain the other day?

Mr. MOTHERWELL: I have not made any further inquiries. I am practically sure that it does not include canned salmon, because that does not come under my department.

Mr. STEVENS: If it is found that it does, I hope the Fisheries committee, which is very much interested in this, will be notified.

Mr. MOTHERWELL: Yes.

Motion agreed to, bill read the second time and referred to the select standing committee on Agriculture and Colonization.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

DOMINION LANDS ACT AMENDMENT

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior) moved the second reading of Bill No. 75, to amend the Dominion Lands Act.

Mr. MEIGHEN: Has the minister given an explanation?

Mr. STEWART (Argenteuil): Yes. We discussed this matter pretty fully the other day and there was only one clause, relating to the rescission of the school land contracts, that caused any difficulty. I think we can discuss the subject more fully in committee.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Conditions of entry for lands in Saskatchewan and Alberta south of south boundary of township 16.

Mr. MEIGHEN: There was not much discussion of this except on the part of the hon. member to my left (Mr. McTaggart) who took the ground that there should be no line of demarcation, in the way of any sort of invidious distinction between the lands in one section and those in the other. I do not know that I wholly agree with him in this respect, but I do believe that there will be great difficulty in administering this section of the bill if it is passed in this form. The act will then provide that no one shall homestead in this special tract below this line

unless he happens to be some one who is related to some one else who unfortunately has got in there himself. I do not see any principle in it. If it is right to select a certain area and designate it ranch land on which people cannot succeed as farmers, it is no kindness to let them go there; it is an injury. If such is the case, then no exceptions should be made, and people should not be allowed to go in merely because they are relatives of somebody who happens to be there already. The reason for the line of demarcation must be that it is bad not only for the country but for the individual as well to try to homestead the undesirable section. If this is the reason, then you are only frustrating it by allowing some one to homestead this particular portion of land because he happens to be the son of those who are unfortunate enough to be in the district. I have no doubt there are some portions of good land there; maybe there is an odd section or quarter section that can be farmed; and probably those who are there now are on the best of the land. But if there are a few more good sections left, the principle should not be to confine them to the children of those people who are already in the area. What ought to be done is to select whatever land is fit and throw it open in the ordinary way to any one at all. In other words, the division should be drawn on the line of merit of the land and not on the relationship between the persons who happen to apply and others who are resident in the district at the present time. Under the bill as it stands, any one who happens to be related to somebody there can go in and take his fate on some piece of sand or purely ranch land, and the minister will not protect him.

Mr. STEWART (Argenteuil): That is not right.

Mr. MEIGHEN: Where is there any provision to protect him?

Mr. STEWART (Argenteuil): The provision is not in the bill, but the regulation deals with the matter. An examination has first to be made of the homestead.

Mr. MEIGHEN: There is to be an examination before any one is allowed to homestead that land?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Where is the provision to that effect?

Mr. STEWART (Argenteuil): It will be in the regulations.

Mr. MEIGHEN: I should think that would be important enough to be embodied in the act.

Mr. STEWART (Argenteuil): My hon. friend understands that it is not well to clutter up the act with regulations.

Mr. MEIGHEN: Not with minor regulations, no; but this is important. In fact, it is far more important to select the land than to decide upon the individual on the basis of relationship.

Mr. STEWART (Argenteuil): My right hon. friend is partly right. The hon. member for Maple Creek stated the other day—and I agreed with him—that the whole of the territory south of township 16 in Alberta and Saskatchewan is not a dry area. From the eastern boundary of Saskatchewan over at least to the town of Assiniboia, which is a considerable distance westward in southern Saskatchewan, there is as good a piece of territory as can be found in the west. In the immediate vicinity of Maple Creek and to the southward there is a very bad strip, and then along the boundary there are some areas of fairly good land. But I do not think we should change the conditions in respect of the taking up by homesteaders of dry, sandy lands with failure a certain result. In the constituency of Medicine Hat there is a piece of territory along the boundary between Montana and Alberta where farming has been carried on with great success, and there has been a considerable demand to increase the homestead area in that vicinity. But there are not many homesteads even in those districts that our homestead inspectors would recommend as suitable for agricultural purposes. In that area, however, there are ranchers who are desirous that their sons shall succeed them in the ranching occupation, and to that end they would like them to be able to get a homestead within nine miles of the parents' residence. It was in order to meet that demand that I consented to recommend the homesteading of a few parcels of land in this limited area. It will be under the supervision of homestead inspectors who will report here to Ottawa before the claim of any applicant is granted. But to make it general would defeat the object that we are now trying to attain, because if a newcomer, unacquainted with the climatic conditions, went in there to engage in agriculture, he would be practically doomed to failure. He cannot make a living in that area on one quarter section in any case. For the reasons I have outlined, therefore, we have decided to try

this out and see if we can satisfy the demand that has been made.

Mr. MEIGHEN: He cannot make a living on the one quarter section, but neither can the other fellow's son.

Mr. STEWART (Argenteuil): Yes, he can, because he is not dependent entirely on the quarter section. Nine times out of ten they have a ranch, a leasehold and a considerable number of cattle; and there is no doubt that the ownership of a quarter section is a good influence upon the younger generation; it makes them feel they have a real stake in the country. I fancy that this will work out all right, but I would not want to extend it to any large area. You would find it difficult to discriminate, as we are doing here, if it were made of general application.

Mr. MEIGHEN: Suppose a man and his family are ranching in a purely ranching country, the father having taken a homestead there because he wanted to have a central point round which his family would gather. Within nine miles there is no homestead available; it is all ranch land, but twenty miles away there is. Now, another fellow is ranching within nine miles of that place twenty miles distant, and the first man's sons cannot get that other homestead. It is not fair.

Mr. STEWART (Argenteuil): That is the general limitation in the act with respect to the son of a farmer.

Mr. MEIGHEN: I thought there was something under which a man within nine miles had some advantage over the rest, but I cannot just recall what it is.

Mr. STEWART (Argenteuil): He did not need, for example, to build a home upon his land.

Mr. MEIGHEN: Certainly; that is reasonable, but that does not justify this. I knew there was a case in point, and I am now reminded of it: A man has a family of boys, and if one of them homesteads within nine miles he is not obliged to build a house, because he can live at home. But then he is not given a preference in the matter of selection of a homestead, over the family of another fellow who is only a few miles away. The one man gets a homestead in a purely ranching country. That is what he ought to do; that is where he ought to go to ranch; but because he went there his family is debarred from going into another district and taking a homestead of good land, while the farmers' sons who happen to be in that district get it. I think the minister will find he will be in hot water over it.

Mr. STEWART (Argenteuil): They are not debarred from going out and getting a homestead anywhere, but for this particular purpose they are.

Mr. MEIGHEN: They are in this particular.

Mr. EVANS: This land was pretty well settled at one time. When the people went away did they leave the land unpatented, or is it not very largely held by private parties now?

Mr. STEWART (Argenteuil): A great deal of it that has been abandoned has never been proved up. I can quite appreciate the suggestion that men who are in there ranching or farming might want a privilege of this kind for their children in order to keep them in the district. A family can run a ranch at much less expense if they do not have to employ hired help. Of course it is as well to have the son in the vicinity, because he does not have to carry out all the improvements that are required to prove up if he goes out on his own account and leaves the locality in which the family reside. In many cases there may not be desirable land within nine miles of the ranch, and it is only where there happens to be land that will pass inspection that this provision will apply. I do not encourage the taking out of such land as homesteads; as a matter of fact, I think it would have been well if that country had been retained purely for the purposes of ranching and had not been given to homesteading at all. I am now speaking of areas that do not lend themselves to agricultural purposes.

Mr. KELLNER: Does the minister think a quarter of that land would be worth taking if the applicant had other lands, say seven or eight miles distant? Would one quarter of it be of any use to him?

Mr. STEWART (Argenteuil): I think in the cases we will recommend it will be, because they will possibly start the nucleus of a new ranch, possibly on a smaller basis. It will permit the working of the area by the family themselves. I think the men who are in the locality and know the situation fairly well believe that this is worth while trying out, and I have myself given it some considerable thought. I want to say frankly that I was very prejudiced about this at first, because I have been doing my level best in these particular areas to get them back into ranching as fast as possible, believing that that is the only occupation to follow in some

of these areas in both provinces; but right within a few townships you will find men who have made a splendid success of farming operations. Though it is patchy, they have been successful and have done as well perhaps as any settlers in the country, but there are other areas, sandy, and of a light nature, where it is a mistake entirely ever to break up the sod, and those are the areas where we are trying to have ranching done, and where inspectional work will be carried on very carefully, with a view to having those unsuitable areas that have been homesteaded turned back into ranching. It is not intended that any very light sandy soil will be permitted to be homesteaded by anybody.

Mr. SPEAKMAN: I think the principle embodied in this bill is rather a good one, and I can quite see the reason for the nine-mile limitation. That is the limitation that is placed in the case of residential duties for the sons of farmers or of other men who own property, because in a ranching country a boy taking a homestead within nine miles of his father's homestead can do ranching work conjointly with his parents, and that is just about the outside distance at which that can be done. As far as I have seeen, going through that country, and I am thankful to say that there is very little of that kind of land in my constituency, the minister is right in assuming that there are scattered homesteads that it would be well worth while taking up when the main occupation to be followed is ranching, and while it would be utterly useless to allow an outsider to come in and expect to make his whole living on that quarter section, it does provide an additional steading for the boy or brother or any relative of the family who is engaged in ranching with his father or brother or other relative. I have had many requests made of me that I should support anything of this nature. I am not supporting it because of the requests, but because I see there is good, sound sense underlying those requests, and with the safeguard that no entry will be permitted on manifestly unsuitable homesteads, I think the provision is a wise one and will be of value in trying to hold the boys of that district in the district, in the occupation which they are used to, and within reach of their father's home.

Mr. MORRISON: I wish to endorse what the hon. member for Red Reer has just said. In my constituency there are quite a number of farmers who have sons to whom this provision will be quite a benefit. Requests have also been made of me from time to time to try and get a provision such as this put through whereby they can have access to those lands. I agree that lots of these lands are not of a quality to warrant a man taking them up and making his home there, but as the father is already farming in that part of the country and well established there, this provision will be a good help in maintaining the family and keeping them working together. While it is not for the benefit of outsiders, it is going to be of real help to many residents in that country.

Mr. EVANS: I believe thoroughly in the principle of the bill, but instead of limiting it to the boundary of township 16, I think the minister would have done well to extend this privilege over the whole of the old dry area as mapped out in the bill of 1906. I think this privilege might well be extended over the whole of that area, because the conditions that are spoken of in reference to this particular area prevail over other large parts of the province, and while there are a number of homesteads that I know of myself, which would never be worth while taking up as homesteads, they might be very useful for grazing purposes to those who are farming within say nine miles. I think this privilege should be extended to cover the whole of that dry area.

Mr. STEWART (Argenteuil): I hope my hon. friend will not raise that upon this occasion, because there is a good deal to be said with respect to the point raised by the right hon. leader of the opposition. It is a very difficult thing to administer special privileges, and this undoubtedly is a special privilege. I make no other claim for it, because we are shutting out outside competition, and that is a rather delicate thing to do. When we get into this thing we may have a controversy over a homestead, for instance. I want to try it out in this particular area first and see how I get along with it, and I would be just a little bit afraid of extending a special privilege of this kind over too wide an area to start with.

Mr. McTAGGART: I desire to endorse the principle of the bill. I think I made that clear the other evening. Permit me to say that I do not ask that this privilege be extended beyond the limit set here in the bill, but I would like to ask the minister if in regard to such parcels of land as come under this act, it will be necessary for these lands to pass inspection by officers of his department.

Mr. STEWART (Argenteuil): Oh yes.

Section agreed to.

On section 2—Sale of school lands for right of way, etc.

Mr. SPENCER: It seems to me this is an excellent clause, and one that will make it possible for certain parts of school lands to be sold which were not possible heretofore. I notice that part of clause 2 says, "notwithstanding anything to the contrary in this act, the minister may sell school lands required as right of way for any project or for reservoir, church, cemetery or hospital sites," and so forth. Would that cover such buildings as community halls which are being built, as the minister knows, in various rural communities?

Mr. STEWART (Argenteuil): Yes, that is one of the purposes for which we have this clause. It is difficult to enumerate all the various purposes for which small plots of school lands might be required from time to time. I think the saving clause is that the consent of the provincial government is required; we did not have that in last year. While I am on my feet, I might explain that last year, as the committee will remember, we struck out the provision enabling the minister to sell right of way. We need that provision rather badly, because there are a number of cases in which railways have crossed school lands, and we are unable to give title. I have them here and could enumerate them; most of them are in Manitoba. I thought it well this year in order to create confidence in the minds of members of the committee, that before we did any of these things we should first secure the consent of the provincial government. I think we have provided enough safeguards to enable us to do all that we wish to do for this purpose. Of course in regard to general sales of school lands the provisions of the law will remain just as they are at present.

Mr. SPENCER: It will be possible for the department to sell a portion, say an acre or two acres, of school lands for a community hall and similar purposes mentioned by the minister?

Mr. STEWART (Argenteuil): Yes.

Mr. CAMPBELL: Is there any possibility of this provision being abused? Is there any possibility of private individuals other than those intended getting hold of portions of land under this section without proper safeguards?

Mr. STEWART (Argenteuil): No.

Section agreed to.

On section 3—Re-adjustment of school lands sales made prior to 1st January, 1923, and provisions as to application of moneys.

[Mr. C. A. Stewart.]

Sir HENRY DRAYTON: I think the minister should really give us a pretty full explanation of what he is going to do under this section. As I read the section it will enable the minister to switch credits practically as he will. It will enable a man who has got a whole lot of lands for speculation to have all his payments put upon one small portion of the property, if the speculation looks bad. It will enable him in other words to tie up a whole lot of land without risk to himself. Then if the speculation is a good one he will get all the benefit, and if it is a bad one the country will carry the burden for him. That is what it amounts to. If it were a case where the man was a bona-fide farmer it would be a different thing, but the section as drawn, as I see it, is in the interest of the land owner and not of the land worker. It is drawn in the interest of the speculator. It means that if a man goes in and buys four sections, for example, having use only for one, and makes a failure in his payments he can turn around and apply the payments made on all four in ease of one, and get his land free from loss; and as if the speculation were successful he would have the entire benefit. In other words we are now promoting real estate speculation.

Mr. BROWN: Does this not refer to deals already entered into and not to future deals?

Sir HENRY DRAYTON: I do not care whether the deals are entered into or whether they are not. The whole northwest is full of deals that have been entered into for speculative purposes. We know that land speculation there is one of the worst things we have had to contend with, and whether the deals be old or whether they be new I do not see why—the speculation having failed—the country should take the full burden of the failure, enabling the man who has failed in his speculation to get paid in respect of portions of land that he was unable to carry.

Mr. STEWART (Argenteuil): I may say that we never give any consideration to an individual who is holding school lands in a speculative way. There have been one or two cases in which some remission has been made and some of the lands cancelled; but this request comes for the purpose of trying to save the investment of a hard working farmer who has bought a section or half section of land and finds himself in the position where he cannot complete his payments. There are hundreds of cases throughout the three prairie provinces in which we find that after making very considerable payments the purchaser owes more money than the original purchase rep-

resented, perhaps, having made probably a payment of only one-third or one-half of the principal in the meantime. Naturally this leads to discouragement and when we are spending a good deal of money to get new settlers into the country such a situation merits attention. I discussed this very fully with the provincial governments, and asked their opinion about the advisability of a departure of this kind, because I look upon the school lands fund as more in the nature of a trust fund, if that could be said, than any other fund in connection with our natural resources. Therefore in every case where we are dealing with the school lands trust fund or with the school lands trust, I have always consulted the provincial government concerned. They are of the opinion that it is a wise provision, that it will tend to encourage and preserve the investment of hard working people; that it will encourage them to go and pay upon the acreage of land that they can work satisfactorily, and thus save the investment they have made in perhaps a larger area when they felt they were in better circumstances. That is all this provision is intended to do.

Coming to the question my hon. friend has raised, namely, that it will encourage speculation, I do not agree with him. Most of the farmers and the land owners in western Canada are looking more for a way to get out of their speculations than to get into any more ventures of the kind at the moment. I have no particular objection to confining this arrangement to only bona-fide farmers living on the land although it will add to the difficulty of administration. I can assure the committee my sympathy does not go out at all to the individual speculator. No matter how sick he may be to-day of his investment he bought that land for speculative purposes; he did not buy the land for farming purposes, but intended to make a profit out of somebody else who would carry on farming. But however, in most cases the speculator has disappeared, and we have cancelled his holdings and confiscated his money. There are, however, a very large number of people whom this arrangement will help very greatly indeed. I have in mind probably a hundred cases at the moment of persons who have made applications that seem to be of a bona fide character. It will be a material advantage to those people to be able to cancel a portion of their purchase and apply the payments they have made on what they propose to retain. I give the committee an assurance that if we carry this out with the consent of the provincial government there cannot be very much chance of illegitimate advantage being taken of it.

Mr. SPENCER: I suppose any lands relinquished under this act will be sold by public auction?

Mr. STEWART (Argenteuil): Oh, yes, under the act they have to be resold by public auction.

Mr. GOULD: I think the legislation contemplated by the section is really good and necessary. I am sure the settlers in western Canada are not now, and never have been, desirous of having speculators in their midst; and any speculation that has taken place in the past in the purchase of school lands I am afraid has caused the settler to pay more in the case of the initial price than was necessary. That is one reason why individuals living upon the land find it more difficult to meet their obligations than they would had the speculator never entered the locality. Legislation of this character is in the interest of the farmer having boys of ten, twelve, fifteen or seventeen years of age. Naturally he is very desirous of increasing his holdings so that his boys may settle in his immediate locality. It is a perfectly legitimate thing for a farmer to go out and purchase land upon which he contemplates settling his sons in the future; but sometimes, owing to circumstances over which he has no control, he is unable to meet the obligations he assumed when he first purchased the lands. The proposed legislation will enable farmers, if they wish, to reduce their holdings, and provide their sons with land in the same area where no homesteads may be available. Consequently we know what is going to become of the boys. I am speaking now of my own experience, because I have myself indulged in a speculation in land to provide for my boys growing up. If I had not succeeded in establishing a little area around my own home, possibly my boys would be gone. As it happens, they are all there now, every one Canadian-born, and they intend to stay there. But they depended upon the old man to make the first start in establishing them in western Canada.

Mr. BROWN: I am one of the very last men in the House to plead the interests of the speculators, but I can see where this or similar legislation is very necessary. I am quite satisfied there are many cases in which men purchased larger amounts of land than they are now able to pay for, and did it in perfect good faith, the result of a failure to pass such legislation as this would inevitably be that these

men would not be able to continue in the position they are in and they would have to leave altogether. While it is quite possible in the active operation of the law there might be an individual here and there who would reap a benefit he should not reap, yet, weighing one consideration against the other, it seems to me there is a greater danger in failing to pass some such legislation than there is in passing it. I think this legislation is very wise and very necessary in spite of the objection the hon. member for West York (Sir Henry Drayton) has raised.

Mr. McTAGGART: Under section 1 would it be necessary for an entrant on land to comply with the homestead regulations in regard to cultivation duties?

Mr. STEWART (Argenteuil): Yes, the same regulations will apply which apply under the general provisions of the act. He can perform his duties at home, but he will have to perform the cultivation duties.

Mr. McTAGGART: And as to the three years?

Mr. STEWART (Argenteuil): He will have to perform these duties during the three years, but he does not require to live on the homestead.

Mr. KELLNER: What would be the use in making him plough up forty acres of sand that is not worth farming at all? Why not allow him to prove it up in some other way?

Mr. STEWART (Argenteuil): I think it would be a mistake for him to get land he could not plough. Every rancher must have land of some sort. Every rancher is cultivating some land sometimes, to carry him through the winter, and it will be a mistake to let anyone have sandy land for the purpose of breaking it up. I would be very much opposed to that. There are lands all over the country that are very acceptable and they can be found in almost every locality. They may be limited in area but they are there.

Mr. MEIGHEN: Referring to section 3, I have discussed this matter with the minister. Ever since it was proposed it has given me some trouble. I regard it as a most important and very dangerous step. I admit its merits. I know there are cases where without it considerable hardship would result, but let us see where we are going to land if this section passes. If a man buys land or buys anything else he is liable on his purchase. If a man buys grain and pays a small margin, ten per cent just as he does on land, it would be a grand thing for him if, having bought a hundred thousand bushels, he afterwards could narrow it down to ten thousand bushels and apply what he had paid to the ten thousand, and pay it up. Speculation then would have no terrors for anybody. He would risk virtually nothing and his chances of profits would be immense. In other words his chances of profit would be ten times his chances of loss. It is exactly the same with school lands, and it is the very same for the actual farmer as for the speculator. If men are to be allowed to buy school lands and afterwards to narrow down their purchase to a quarter section, and apply what they have paid to the quarter section, the element of risk is virtually gone. Take the case of the farmer purchasing. He buys a half section. His neighbour, or many neighbours, bid against him. This man was a little more venturesome than the others and he outbid them. He was taking the risk and he had a perfect right to any profit he might make; but now the minister comes along and relieves that man of his risk—relieves him of his loss. What is going to be the result in the future if this provision becomes law? Why a man making purchase will very readily outbid his neighbours. The speculator, in a word, will have a big advantage over the actual farmer, because the speculator knows that his chances of winning are ten to one over the chances of his losing, or whatever proportion the purchase bore to the quarter section of land, and the chances of the farmer are exactly the same. It seems to me it is a dangerous precedent. If you do it in this case, why not carry it further? Why not carry it into the soldier settlement scheme? Here is a soldier settler; why not relieve him of part of his obligation as well, and apply everything he has paid on a small part of it? He is just as much entitled to it as the school land purchaser. They have only got quarters, it is true, but it is a case of degree. If it is a case of degree, many of them would like to bring it down to forty acres, and have the payment applied on a small part; but if we begin this, where are we going to end? In a word, it is a case of one party to a bargain relieving the other party of his obligation. I know it is the provinces who are mostly concerned. They are the beneficiaries of the school land fund but I do think that they have not very fully considered this matter before giving their consent to the legislation. I know that when I was minister of the department—and in those days the applications would not be anything like the number they are now, in the very much more difficult farming times—

the applications in many instances came from men who found they had got on the wrong side of the the bargain and wanted the government to assume the load instead of themselves. They came almost daily instead of weekly, but we had no power to grant any of their applications and we did not. The minister suggested he had the power. I do not know under what power he could do it. I know there are cases of hardship, but it is sometimes better to stand by a sane and sensible rule than to vary it under special circumstances, creating a precedent that is going to be very serious.

Mr. MORRISON: The conditions in which those farmers largely find themselves are due to a reaction from war conditions. When war was declared the cry went out, "Produce, produce, produce", and the farmers got busy and assumed extra contracts, bought more land, and more equipment, dug right in, and produced beyond their means. Now no readjustment was made in their favour to enable them to successfully and permanently carry on. On the contrary, adjustments were made with the railways. The Crowsnest pass rates were set aside and they were allowed to raise the rates against the farmers who were urged to produce in the national interest. The banks had the laws adjusted to give them greater advantages, in the national interest, presumably, but it was in the banks' interest really. The Riordon people had a readjustment of their affairs, and they settled their tax account by the note route, which was an absolutely new process. Was that not readjustment in the interest of the individual or the company? As regards the manufacturers of Canada, the tariff was raised on farm implements by just seven per cent as a war measure, against those farmers who were urged to produce in the national interest. While we were producing, the other fellow was getting a good slice of it.

Mr. MEIGHEN: Is the hon. member talking by the book in that? If he will look back over the law, he will find that a special exception was made in the case of the farmer and that there was no increase on farm implements at all.

Mr. MORRISON: There was no increase in the tariff on farm implements? Well, there was an increased duty on a number of commodities in the interest of the manufacturers. Many of us, as individuals, found ourselves in this position, that we were obliged in our mutual interest to compromise. It was no use putting a man down and out, when his trouble was largely through no fault of his own, and he had assumed too heavy obligations. There are a number of members in this corner of the House who, I know, compromised with others, rather than put them down and out. This is a very proper step for the government to take. It is not giving any favours: It is a readjustment of conditions that were brought about largely from the reaction after the war, and I heartily commend the government for the step they are taking.

Mr. GOULD: The speculator is not as great a factor in western Canada to-day as he was some years ago. First of all, agriculture is not profitable enough for him to look upon the purchase of land as an investment. Second, provincial legislation has taken hold of the speculator and practically eliminated him from his activities in the west simply because he was a nuisance in the early days and an imposition upon those who were trying to settle on the land. I speak now of our own province. With our wild lands tax the imposition of the telephone tax, and various other forms of good legislation, we have largely eliminated this individual, and I do not think the day is going to come when he will again be a big factor in the purchase of raw lands in western Canada. Consequently, if we are going to look after the few people we have left in that western country at the present time, legislation such as this is necessary. I say the few we have, because they have been diminished in numbers in the last few years largely because of the speculative activities of the past. Personally, I know of thousands and thousands of acres that were abandoned by speculators who came in from the United States, simply because they would not keep up the payments. That is, agriculture was not profitable enough that people resident in certain areas could purchase these lands at the enhanced price, and this fact, together with the taxes that were being levied, such as the telephone tax, wild lands tax and various other taxes of the provincial government, practically obliged those men either to cultivate the land or to abandon it altogether. We approved the legislation in those days because the speculator came in, and I think we would approve it again to-day if we had to review the matter.

Sir HENRY DRAYTON: I should like to meet the views of hon. gentlemen to my left, except the hon. member for Weyburn (Mr. Morrison), because he approaches the question from an entirely different angle, an angle which has nothing to do with the case. I have a great deal of sympathy with what has been

said by the hon. member for Lisgar (Mr. Brown). He agrees as to the menace of the speculator. The hon. member for Assiniboia (Mr. Gould) speaks about thousands of acres which have been held by speculators and which have been abandoned. I think I would be voicing his views if I were to say that under this legislation it would be a great mistake if those speculators could again come in and get a portion of their abandoned land. That would be all wrong. I am entirely in sympathy with what has been said as to the actual settler farmer. This is a clause which already has provisoes. Under this clause one can do exactly what my hon. friend wants and give protection where they think there should be protection. I would add to the clause words similar to these. Hon. gentlemen will observe that the provision winds up:

Provided that there shall be no refund of any moneys.

In order to meet the case advanced, I would add there words:

And provided that no action shall be taken save and in respect of bona fide settlers, and that the said money shall only be applied on lands actually being worked by such settlers.

And I would give them the relief every time.

Mr. STEWART (Argenteuil): I have no objection, but I would not care to accept the amendment of my hon. friend without giving it some consideration. I would much rather ask the committee to rise and report progress in order to give me time to see whether it was going to interfere with the general provision of the clause, because I have learned by some years of experience that hastily thought out amendments sometimes cause a great deal of difficulty in administration.

Sir HENRY DRAYTON: I agree with my hon. friend.

Mr. STEWART (Argenteuil): I have no desire to protect the speculator, but many remedial measures have been undertaken in order to try to get us out of the difficulty we got into in western Canada by overpurchasing lands. To-day they are moving settlers from southern Alberta to northern Alberta and we are spending money right and left. After having given this matter very careful consideration, I am strongly of opinion that we shall keep a great number of people in the country and preserve their investment who otherwise would lose their investment and, perhaps, leave the country altogether.

9 p.m.

Mr. MEIGHEN: What about the case of a farmer who bought, say, a half section or a section, who was not able to pay, who had his land cancelled on him and who is gone? Will he be allowed to come in again?

Mr. STEWART (Argenteuil): We could not revive a cancellation. The land has passed to the position of having been sold by public auction?

Mr. MEIGHEN: Supposing his sale was made at the same time as that of another man who has carried on and who will be allowed to come in, does the minister not think there will be very serious and well founded complaints?

Mr. STEWART (Argenteuil): Undoubtedly there will, but the provision of this clause is that we are to give consideration to each case. We are to deal only with sales that have taken place prior to January, 1923.

Mr. MEIGHEN: But the minister cannot consider a case where it has already been cancelled.

Mr. STEWART (Argenteuil): I quite admit that, but in all cases of this sort you are bound to have difficulties of one kind or another. In thousands of cases in western Canada, like that cited by the hon. member for Weyburn (Mr. Morrison), private individuals, banks and mortgage companies have made all sorts of arrangements in order to keep the settler with a portion of his holdings. This is practically the only case in which we were not authorized in any way to make any arrangement with him, and we are doing this in order to meet that situation. I think my right hon. friend will agree with me that the man who has stuck there, in spite of his difficulties and in spite of discouragement, is worthy of consideration rather than the man who wrote in a couple of years ago stating that he was through, that we could confiscate his payments and that he wanted to relinquish his land. Of course, there is another case that we must not forget, the case where we cancelled the sale on our own account, but that was done very largely because we could get no response and, in many cases, the land had been abandoned for a year or so before we took that action, so that I do not think anyone would suffer any injury.

Mr. CAMPBELL: I quite agree with the principle of the amendment as explained by the minister and I am heartily in sympathy with the amendment but I want to point out that that is liable to be abused. What is a bona fide farmer? A man might go back on raw land, on which, perhaps, he had not resided at all, live on it for one night, and in

that way change himself into a bona fide settler. I think that ought to be very carefully considered; there should be some definite understanding as to what a bona fide farmer is.

Mr. STEWART (Argenteuil): I am simply accepting the general trend of the amendment; I am not committing myself to it because I want time to consider it. The idea of the committee, I take it, is that they only want us to deal with the man who is in possession of the land and is actually farming it, having made an honest attempt to cultivate it, and not any individual who, never having put plough to the land, holds the place in speculation.

Mr. SPENCER: With regard to the payment for school lands, we shall hope that most purchasers will do their very best to make their settlements. But there are a few people who, after they have made one or two payments and taken off a few crops, will try to evade paying the balance. How long will such people be given before cancellation takes place?

Mr. STEWART (Argenteuil): They are of course liable to cancellation on the first default, but if a man is making an honest attempt to cultivate the land and can give good reasons for not being able to meet his payments, we accept interest and part of the principal. Although there are some cases of shirking responsibility, we do not find very many attempts made to deliberately evade payment. If there is any fault to be found with us, it is rather that we write too many threatening letters. Certainly we make a serious endeavour to collect the money, but where there is likely to be hardship as a result of forced collections we seldom if ever take action. Of course, we are apt to be taken advantage of once in a while.

Mr. MEIGHEN: The section will be better with the amendment submitted or with some amendment along that line. I was surprised at the comment of the hon. member (Mr. Morrison); nothing of what he has in mind animates anyone that I know of. Nobody is refusing to do for the farmer what is done for any other person. This money does not belong to the country; all of it belongs to western Canada. The only wish of the committee is therefore to avoid adopting any principle which in its application might operate to the detriment of that fund on which the whole support of the school system in the west depends.

Mr. CARMICHAEL: The leader of the opposition (Mr. Meighen) has prefaced some remarks I should like to make with regard to this fund. I know for a fact that parcels of land are sold to individuals and payments made to the department, but the taxes are allowed to accumulate on those lands for probably eight, ten or twelve years. If the contract is cancelled and the money is still in the hands of the department, what is the attitude of the minister towards the local improvement district, including the schools, the rural telephone companies and other local governing bodies that are short of money and find it difficult to finance? If the department should have on hand money which, as the leader of the opposition says, belongs to western Canada, is it not reasonable that any taxes in arrears should be paid to the local municipalities?

Mr. STEWART (Argenteuil): The hon. member would lead me into dangerous channels if I attempted to discuss that question. Inasmuch as this is a trust fund we would have no authority to pay any of it to any individual or municipality. We must, in carrying out the trust, apply the money in payment to the trust fund itself. Nothing of the kind suggested could therefore be given consideration.

Progress reported.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply, Mr. Gordon in the chair.

Trade and Commerce—operation and management of elevators, (for salaries, wages, power, fuel, insurance on grain at Port Arthur, registration, inspection and weighing fees, stationery, office rent, travelling auditors' fees, and miscellaneous expenses), $475,000.

Hon. T. A. LOW (Minister of Trade and Commerce): The increase of $55,000 in this item is due to the fact that there is another elevator at Edmonton, while one is being erected at Prince Rupert. There is also one in course of erection at Halifax. These three will consume the extra amount requested, in operating costs and salaries of staff.

Mr. STEVENS: The question has been under consideration for a considerable time, and the minister might now answer it, whether the title has actually passed to the Vancouver Harbour Commissioners of elevator No. 1 at Vancouver.

Mr. LOW: The title has passed.

Mr. EVANS: Will the elevator at Halifax be ready for the handling of grain this com-

ing season? And how much grain has passed through that port during the last two years?

Mr. LOW: We expect to have the elevator completed in time to handle the fall grain passing through the port. I have not before me the information regarding the quantity of grain that has passed through the port during the last two years, but certainly it could not have been very much, seeing that the old elevator was not in repair. We have no figures in connection with that matter, because the elevator was under the management of the Canadian National Railways.

Mr. GARDINER: Will the new elevator be under the control of the Canadian National Railways as well?

Mr. LOW: Yes, but as regards inspection and weighing it will be under the supervision of the Canada Grain Board.

Mr. SPENCER: Was the matter of inspection and weighing, in the case of the old elevator, under the Railways or under the Department of Trade and Commerce?

Mr. LOW: It was under the Canada Grain Board.

Mr. STEVENS: I am a little confused by the minister's answer. Item 360 provides $475,000 for the operation and management of elevators. The minister says that includes the Halifax elevator. Then there is item 362, $575,000, towards the construction of the Halifax elevator. The minister tells us that the new elevator is to be under the control of the National Railways. If these elevators, either old or new, are under the control of the National Railways, why are they included in these votes, and further, why should not the capital cost be included in the accounts of the National Railways?

Mr. LOW: I had the impression that the Halifax elevator when completed would be under the management of the Canadian National Railways, but that is not so; it will be under the management of the Canada Grain Board.

Mr. STEVENS: How about the present elevator at Halifax, which the minister said a moment ago was included in vote 360?

Mr. LOW: We have nothing to do with that. I understand it is under the control of the National Railways.

Mr. STEVENS: Then it is not included in this vote?

Mr. LOW: The old elevator? No.

[Mr. Evans.]

Mr. GOULD: How many elevators are included in it?

Mr. LOW: Seven in all.

Mr. FINN: It had been my hope and desire, and I think it is the hope and desire of the commercial interests of the city of Halifax, that the Halifax elevator, when completed, shall be placed under the management of the railway so far as operation is concerned. I would ask the minister not to tie himself to any policy in that respect until representations are later made to him as to whether it would be more advisable, in the interests of shipments through the port of Halifax, to have the elevator operated under the Canadian National system instead of under the Grain Board.

Mr. CHURCH: What has the minister done since last session in reference to the extension of this elevator policy so far as Ontario is concerned? During the last three sessions this matter has been before the House. Four years ago my hon. friend's predecessor promised a large and influential delegation representing the farmers of central Ontario, the United Farmers of Ontario, the Board of Trade of Toronto, the Toronto Harbour Board and others, that this matter would be given consideration. It was shown that Ontario was being sidetracked in the matter of elevator policy for the benefit of the west; and it is obvious that with the completion of the Welland canal in 1929, as is projected, we shall be millions of bushels behind in elevator capacity. As I said the other night in this House, there are twenty-eight elevators in Buffalo harbour to-day, all thriving, as you will see it stated in literature coming from Buffalo itself, as a result of the foolish policy of the government of Canada in not having an embargo on hard wheat.

If Canada had a proper grain policy, those twenty-eight elevators at Buffalo would have to move to Port Colborne and other points along the lakes. My hon. friend's predecessor promised that a survey of the need in central Ontario of a government terminal elevator would be made and that reports would be secured from the grain commission. The grain commission did find on the evidence that central Ontario was badly in need of elevator facilities to take care of the feed products of that province. My hon. friends of the Progressive party who come from Ontario should better themselves in this matter. The hon. member for Brant, who helped form a Ginger group in this House for the needs

of the west and other Progressives from central Ontario, should see that something is done. Ontario is suffering to-day through lack of elevator capacity. Most of the railway stations have no facilities nor have the flag stations, and the farmer has no place to take his crop in course of shipment. According to a return made to the House, these terminal elevators are very largely located in the west. I have no objection to that; I hope they will get more of them to take care of the grain crop, but there is need of a large central terminal elevator in western and central Ontario to take care of the small farmer and his products. In the memorandum which was presented by the United Farmers of Ontario backed up by boards of trade from Toronto, Hamilton, the Niagara district and other parts of Ontario as well as by representatives of the Ontario government itself, these matters were fully set out and the deputation were promised some action. Sir Thomas White, who was then Minister of Finance, said that a strong case had been made out, and that had it not been for the war the government would grant immediately the request of the deputation. Last year, Mr. Chairman, there was a vote for an elevator at Halifax and another at Edmonton, and the minister said he would visit the Ontario district and look into the strong case for such an elevator in Toronto. We are always glad to see him there. I notice he attended a Liberal meeting in the Toronto district recently, and I am sure if he would consult with the farmers of the district he would find that we are badly in need of an elevator in central Ontario. Some years ago there were seven or eight private elevators in Toronto harbour, but to-day there is not one. The deputation proposed that this elevator should be built in the logical situation, in the city of Toronto. I am not prepared to say where it should be built, but I do say that the government should build this elevator for central and western Ontario on economic grounds. The Farmers' government were not in office in Toronto one month before they were down here taking up this question. Hon. Mr. Manning Doherty, Minister of Agriculture in the Farmers' government in Ontario, representing Premier Drury, and many others were on the deputation. This matter has been before the House for three or four sessions, and I would like to see something better than promises now. True, an elevator has been built at Port Colborne, but that is more for grain east and west. There is need for an elevator in central Ontario to take care of the different classes of products of central and western Ontario. A case has been made out, reports have been made by the grain commission, and I would like the minister to state what the intention of the government is regarding the building of this elevator. Ontario has been overlooked. We have been taxed to construct elevators in Saskatchewan, Alberta and Manitoba, and at Halifax and Prince Rupert, and Ontario has been neglected. The other day we had a continuous wail about the Hudson Bay railway. The government of the province of Ontario has itself had to build a railway similar to the purely provincial Hudson Bay road.

Mr. CAMPBELL: Is the hon. gentleman aware that Ontario is building this railway through its own land? If the western provinces owned their resources, it might be a different question. Ontario in building through its own land is appreciating the value of the land.

Mr. CHURCH: A poor argument. I come back to what I said. The government of the province of Ontario had a policy to build a railway to James bay with federal assistance, but got none. A deputation waited on the Conservative government and applied in vain for a federal subsidy, and they were told it was purely a provincial railway. So also is the Hudson Bay railway. I am not objecting to the western provinces getting a liberal elevator policy, for they may deserve it, and Ontario should support them in that respect, but what I do ask for is equality of treatment, and that the farmers of Ontario be treated commensurate with their needs. The facts are all set out in the memorandum in Hansard which I have read before on two or three occasions, and I shall not read it again to-night. I am pleading for what was promised last session. Ontario is to-day being taxed to build elevators in other parts of the country and gets nothing in return. I want to see equality of treatment in this matter. I would ask the minister what has been done since last session to meet the representations of the deputation and to come to the relief of the long suffering farmers of central and western Ontario who are taxed to-day for building elevators all over the country, and who can get no relief from the present anomalous condition of affairs.

Mr. LOW: This is not a new proposal at all. It was made to my predecessors, and Sir George Foster turned it down. I have no doubt the day will come when Toronto will have an elevator, but my hon. friend will have to wait until the revenues are more buovant than they are to-day. He made some

reference to the great capacity of the elevators at Buffalo. I might point out that the capacity of the elevators at the head of the lakes in the province of Ontario, at Port Arthur and Fort William, is very much greater than the capacity of the elevators at Buffalo. No doubt there are many places that would like to have elevators and where we would like to build them. My hon. friend from Lethbridge would like to have an elevator, but unfortunately the revenues are falling and we have to wait until they are more buoyant than they are to-day.

Mr. EVANS: The minister has already stated that part of this vote will go towards the operation of the new elevator at Halifax. As far as I know, no grain passes through Halifax, and has not for some years, with the exception of some little that the Canadian National have hauled down there, when it was convenient, to ballast some of their boats. Can we get any information as to the amount that passes through that port?

Mr. LOW: This vote includes the cost of the operation of the elevator at Halifax. I have not the figures at the moment as to the quantity of grain passing through that port. As I stated before, the old elevator was not in good condition, but we are hopeful that with the construction of the new elevator a greater quantity of grain will pass through Halifax.

Mr. McTAGGART: Where are the various elevators that come under this item located?

Mr. LOW: At Calgary, Edmonton, Moose Jaw, Saskatoon, Port Arthur, and the new elevators at Halifax and Prince Rupert.

Sir HENRY DRAYTON: What about Port Colborne?

Mr. LOW: That is under Railways and Canals.

Mr. STEVENS: How does the minister account for the increase of $55,000? There cannot be any increased cost in wages, rates and so forth.

Mr. LOW: The Edmonton elevator would take up almost the entire increase.

Item agreed to.

Maintenance and necessary equipment of elevators (including repairs and renewals to plant, machinery, equipment and trackage; and the installation of Carter disc machines and flax cleaning machines, etc.), $60,000.

Mr. STEVENS: Was all of this item spent last year, and how does the minister base the needs for the coming year?

[Mr. Low.]

Mr. LOW: Perhaps I could not do better than read the estimate as presented to the department by the board:

Canadian Government Elevators

Estimated financial requirements: Fiscal year 1925-26:	
Maintenance and necessary equipment of elevators:	
Repairs and renewals to present plant.. ..	$15,000
Repairs and renewals to existing machinery and equipment..	8,000
Supplies and loose equipment..	3,000
Repairs to trackage, Port Arthur ($15,000 renewal of last year's appropriation not expended)..	35,000
Upkeep of elevator trackage..	7,000
Eavestroughing track sheds and cupola, Moose Jaw and Saskatoon (revote)..	1,500
Painting signs, Moose Jaw and Saskatoon (revote)..	1,000
Painting signs, Edmonton..	1,000
Purchase and installation of Carter disc machines and necessary motors, Saskatoon and Moose Jaw..	9,000
Purchase and installation of additional flax cleaning machines and necessary motors, Port Arthur (revote $4,000)..	5,000
Purchase and installation of grinding equipment and necessary motors, Edmonton.. ..	4,500
Construction of fireproof building at Moose Jaw to house inspection staff, millwright, power house repair shop, and possibly elevator office (renewal of 1924-25 appropriation)	10,000
	$100,000

This is an amount much in excess of the vote asked for, but when the estimate was presented to the department we, in a desire for the most rigid economy, reduced it to $60,000.

Mr. STEVENS: These two items total $535,000 covering the operation and maintenance of the government elevators. Am I right in regarding that as the total expenditure?

Mr. LOW: You are adding together items 360 and 361?

Mr. STEVENS: Yes.

Mr. LOW: You are right.

Mr. STEVENS: Can the minister give us what the earnings of the government elevators were last year, so that the committee may be able to form an idea of the value of the business to the country?

Mr. LOW: I have the figures in detail. The statement is quite lengthy, and perhaps I had better hand it to the reporter so that it may appear on Hansard.

Mr. STEVENS: I should like to hear the totals for each elevator?

Mr. LOW: I will give them. They are as follows:

Port Arthur—	
Revenue for 1923-24..	$398,402 07
Expenditure for 1923-24..	151,852 65
Moose Jaw—	
Revenue for 1923-24..	24,210 55
Expenditure for 1923-24..	57,228 28
Saskatoon—	
Revenue for 1923-24..	41,422 95
Expenditure for 1923-24..	62,462 86
Edmonton, up to Jan. 31, 1925—	
Revenue..	9,108 04
Expenditure..	19,804 96
Calgary—	
Revenue for 1923-24..	98,605 58
Expenditure for 1923-24..	71,590 33

Mr. BROWN: Will the minister give the figures totalled in the case of revenue and expenditure?

Mr. LOW: I am sorry I have not the totalled figures at hand.

Mr. STEVENS: May I ask the minister how he harmonizes the expenditure which he gives us here with the enormous amount shown in the estimates? The amount shown here is not as large as that shown in the estimates.

Mr. LOW: That is very true but we cannot pay the expenditures out of the revenue; the revenue goes into the consolidated fund.

Mr. STEVENS: Quite so, I understand that, but the minister is asking in the estimates for much more than he shows is required.

Mr. LOW: Of course we merely make an estimate. We cannot tell what the size of the crop may be, and we may require to put in new cleaning machines and provide for unforeseen expenditures. The larger the crop the larger the expenditure will be and, of course, the greater the revenue also.

Mr. SALES: I think what the hon. member for Vancouver Centre is trying to get is the total receipts and expenditures from these various elevators. I took the figures down as the minister gave them and I find that the revenue amounted to $571,749.19 and the expenditure to $362,939.08, leaving a balance of revenue over expenditure of $208,810.11. Now, Mr. Chairman, the only thing I have to find fault with in connection with this matter is that there is not a proper idea of the actual financial transactions conveyed to the people either in this estimate or in the report of the Auditor General. It appears here as though the operation of these elevators for the farmers and the grain trade was costing Canada three or four hundred thousand dollars, whereas, as a matter of fact, the services are not only paying for themselves but yielding a handsome profit in addition so that the weighing and inspection fees should be reduced. That is what we have asked for time and time again. We do not mind paying for these services, but we do not see why we should contribute hundreds of thousands of dollars to the consolidated revenue year after year, and yet have the idea presented to the House that all these services are being given to the farmer.

Mr. LOW: In each year's return as I have told the hon. member there is no charge for capital expenditure. All the people pay for the elevators that are built from time to time, consequently if there were a charge—an interest charge or a depreciation charge—in this calculation the surplus doubtless would be much smaller. Then in the past crop year, the revenue will likely be much smaller than it was for the previous twelve months when there was such a large crop. Nevertheless the same staff must be maintained and the overhead continues at the same level. We may drop a stenographer here and an inspector there, but on the whole the reductions are not nearly as great as one would imagine. This year we have to be prepared for a possibly larger crop.

Mr. SALES: May I make the appeal that in the Auditor General's report a concise statement should be given showing the expenditures on one side and the revenue on the other, so that we could really understand the actual situation. I have to look in one part of the Auditor General's report for the revenue and in another place for the expenditure, and it is very hard for the members of this House to understand exactly whether this business is paying or not, and much harder for the men in the country. If we could have a statement of that kind, putting the two things together in the Auditor General's report, I think it would be very advantageous.

Mr. CAMPBELL: I understood the minister to say that if there were a charge for capital account the surplus would be much smaller. Surely he does not mean to say that there would still be a surplus; that instead of the government paying for the elevators, the farmers pay for them all and in addition provide a surplus.

Mr. LOW: That would be a matter to be worked out. There is a very large amount invested in the elevators of this country, and the interest on the capital expenditure would probably eat up any surplus that the grain

trade produces. As a matter of fact it is only during the last four or five years there has been any surplus. For a number of years there was not a surplus but a deficit.

Mr. CAMPBELL: These new elevators at Halifax and Prince Rupert are really built by the farmers. The money is paid by the government but charged up to the farmers. I doubt whether very much grain will pass through these elevators, yet the overhead cost must be borne by the farmers.

Mr. STEVENS: I had no intention of raising the question of what Canada was doing for the farmers, and my hon. friend from Saltcoats (Mr. Sales) rather took me up a little rapidly there. I was not speaking with any ulterior motive at all, but now that he has precipitated a discussion, we might as well examine it. The facts are that Moose Jaw in 1923-24 had a revenue of $24,000 and an expenditure of $57,000, a very heavy deficit on bare operation, without any charge for overhead at all; that is for interest on capital. I do not know just what the Moose Jaw elevator cost the country, but it was certainly a very large sum. Then we have Saskatoon with a revenue of $41,000 and an expenditure of $62,000. There again is a very heavy deficit being borne by the consolidated fund, and no charge for interest on the capital expenditure. Edmonton is not a fair comparison because it was the first year in operation, and only a portion of the year is disclosed; there we have a similar case, but we cannot judge by it. In Calgary there is a revenue of $98,000 as against an expenditure of $71,000. In this case we see an indication that it is an investment which is capable of bringing in a fair return. When I say a fair return, I mean paying a part of the interest on the capital charge. When we come to Port Arthur we find that undoubtedly the earnings of the elevator will carry the capital charges—that is the interest on the capital. But that is the only case which gives any evidence of doing so. I am not, nor did I intend until my hon. friend became a little piqued regarding the situation—

Mr. SALES: Not at all.

Mr. STEVENS: I did not intend to criticize this system or policy of placing large terminal elevators, or what we call interior elevators, for the promotion and assisting in the handling of the grain of Canada. I think it is quite proper for parliament to do it, but it is just as well for parliament and my hon. friends to my left to realize that parliament is doing the job, and doing it in a very generous manner I think; and the point which I think the minister or the Board of Grain Commissioners might take into consideration is whether these two great elevators at Moose Jaw and Saskatoon cannot be used to greater capacity, so as to show a smaller loss at least than that which is disclosed in these figures.

Mr. SPENCER: Has my hon. friend the figures for Port Arthur?

Mr. STEVENS: Yes. The earnings at Port Arthur were $398,000 and the disbursements $151,000, showing an earning sufficient to pay a moderate interest on the capital investment. That I think is a very creditable showing.

As to the question of fees, I am very strong in regard to keeping the charges for the handling, not only in these elevators, but in all elevators, as low as it is possible to keep them. Let the charges be kept at the very lowest point. I desire to say to the minister just here—it does not come properly under his department, although it did a short time ago—that at Vancouver this year the harbour commissioners have insured the elevator and other works, entailing an expenditure of over $30,000 in insurance premiums. That must mean an increase in the charges of the port and I deprecate it very much. I think it is wholly unnecessary, because the government does not insure all of these elevators. So that in the case of these elevators which we have before us, and the elevator at Vancouver, which is constructed of reinforced concrete, and fireproof just the same as the others, there is no more need of insurance now than when it was under the Board of Grain Commissioners.

Mr. LOW: Are all the elevators at Vancouver fireproof?

Mr. STEVENS: Yes, all except one, that unfortunate so-called Woodward elevator No. 3, which is being frightfully distorted by some new expensive works that are being added to it at present in a hopeless fashion I believe. Outside of that they are all fireproof and of up-to-date construction. But what I am coming to is this: every effort should be made to keep the charges and fees at the lowest possible point, and I would like the minister to direct the Board of Grain Commissioners to give consideration to the rates charged in Vancouver. They raised them, I think, half a cent during the past year, or perhaps a little more than a year ago. I do not see any need for that increase in the Vancouver elevator fees. The insurance

is an unnecessary expense. It is just simply distributing a little patronage to a long list of hungry insurance agents and nothing else —absolutely no other reason for it—and $30,000 is added to the expenditure of that port and is paid by those who use the port, who ship their cargo out or bring their cargo in. That cargo bears a part of that cost, and $30,000 added last year is an unwarranted and unnecessary extravagance and should not be permitted. I ask the minister to bring this to the attention of the Board of Grain Commissioners, and I suggest that the Board of Grain Commissioners, in fixing the fees, and in approving the rates in that elevator, should disregard that unnecessary extravagance in the port. If the Board of Harbour Commissioners in Vancouver choose to go off on a rampage of extravagance, I suggest that the Board of Grain Commissioners who fix the fees disregard their claim for revenue commensurate with their extravagant expenditure. I bring that point to the attention of the minister. The same principle applies wherever the elevators are run.

Mr. GARDINER: I would like to ask the member for Vancouver Centre (Mr. Stevens) whether he is quite sure that the charges in the Vancouver elevator come under the control of the Board of Grain Commissioners.

Mr. STEVENS: I understand so. The minister can tell us.

Mr. LOW: The Canada Grain Board have nothing to do with it. It comes under the Department of Marine and Fisheries.

Mr. STEVENS: Do I understand the minister to say that the rates charged in the Vancouver elevator are not submitted to the Board of Grain Commissioners and meet with their approval or disapproval the same as rates in other elevators?

Mr. LOW: They do not.

Mr. STEVENS: Then the sooner they are brought under the control of the Board of Grain Commissioners, the better. Does the minister mean to say that they were not under the Board of Grain Commissioners prior to last year?

Mr. LOW: No. They are subject to the Department of Marine and Fisheries.

Mr. STEVENS: The minister may be getting confused, and I do not want to take an advantage of him. I know very well that the Board of Harbour Commissioners, which is under the Marine department, must get the approval of the Marine department for its various acts, but is the charging of elevator fees not submitted to the Board of Grain Commissioners?

Mr. LOW: No.

Mr. STEVENS: They were fixed by the Board of Grain Commissioners prior to a year and a half ago.

Mr. LOW: When the elevator passed to the harbour board, we ceased to have any control.

Mr. STEVENS: Then I think the minister did something that was wholly wrong—

Mr. LOW: I am not the minister who did it.

Mr. STEVENS: —in permitting the control of elevator fees to pass out of the direction of the Board of Grain Commissioners. I do not object particularly to his transferring the elevator to the harbour board; but the Board of Grain Commissioners should have retained control of fixing the fees. Furthermore, I do not care where the elevator is operated, whether it is at Vancouver, Halifax, Montreal or Fort William, the general laws or regulations determining the operation of that elevator ought to be under the Canada Grain Act and the direction of the Board of Grain Commissioners. What is the sense of having a vital part of this tremendous business of handling grain at the very mouth of the funnel controlled by a Board of Harbour Commissioners or private individuals or anyone else, and another part controlled by the Board of Grain Commissioners? When this law is amended—and it is in the minister's hands—he ought to settle definitely the question of handling this grain so that it should come under the control and direction of the law known as the Canada Grain Act and the Board of Grain Commissioners. I ask the minister now, in view of his answer, if he would be good enough to bring this matter to the attention of his colleague, because, after all, we cannot escape responsibility in this parliament for an increase in charges on the handling of grain or any other important matter. There has been an increase in charges in the handling of grain through Vancouver this year. There has been in Vancouver this year an unnecessary, added, expenditure to which I have referred, and I have referred to only one outstanding case. I call the government's attention to this. I do not care whether it is the Minister of Trade and

Commerce or the Minister of the Interior, that has to do with the matter, the Board of Harbour Commissioners at Vancouver should be directed at once to reverse that policy and position.

Mr. SALES: I am very thankful to the hon. member for Vancouver Centre (Mr. Stevens) for supporting the proposition I made to this House last year, in pointing out the revenue that was obtained by the port of Montreal and expressing the wish that at some time all these elevators would come under the control of the grain commission. As I understand the matter, they have no control even at Georgian bay ports. Is that so?

Mr. LOW: We have control over privately owned elevators, not government elevators.

Mr. SALES: At what point?

Mr. LOW: Port McNicoll, Goderich and Tiffin.

Mr. SALES: It has always seemed ridiculous to me that we should have a Board of Grain Commissioners with such stringent powers—at least we tried to make them stringent, but many loop-holes have been found—at the head of the lakes, and then when our grain leaves there, it passes out of their control entirely. They have no say as to what the charges shall be and no inspection at the port of Montreal or the port of Vancouver at the present time.

My hon. friend (Mr. Stevens) referred this afternoon to the operation of a sample market. My opinion is that no man in his senses will come to Port Arthur or Fort William and buy a cargo of grain which has to go through Port McNicoll or some of these other ports, be transferred to a car or a smaller boat in order to go through the Welland canal, and then go through Montreal. He knows what he puts in, but he will not have the slightest idea as to what he is going to get out. Under such conditions a sample market is absolutely impossible. At Vancouver there is a different situation altogether. It is quite possible for a British grain buyer or miller to buy his wheat at Vancouver, load it on his ship and keep it under his finger until it reaches Liverpool, or Bristol, or wherever it is going. That situation does not and cannot exist as regards grain going through the head of the lakes.

As regards the elevators at Moose Jaw and Saskatoon—and if I do not make a mistake in my judgment, Edmonton will show itself pretty much in the same class as time goes on—all the grain that passes through Moose Jaw and Saskatoon must eventually find its way through Port Arthur or at any rate through the terminals at the head of the lakes. Grain going through Edmonton will have to go through Vancouver after it has passed through Edmonton. The situation is simply this. It is only in a time of congestion that these houses are used, or in a season when we have a great deal of rain and much tough grain that needs to be dried, these houses are used to put it into condition and the grain is forwarded. But no farmer, if he has a chance to ship his grain direct to Vancouver, will ship it into Edmonton. If he has a chance to ship it direct to Fort William or Port Arthur, he will not put it into the elevator at Moose Jaw or Saskatoon at an added cost. I do not know that the government were altogether justified in putting up houses as large as those at Saskatoon and Moose Jaw. They are useful in some years, but as long as there are sufficient cars available to ship, I can assure the committee that no farmer will use these, what are called interior terminal elevators. Therefore the comparison between Port Arthur and Moose Jaw or Saskatoon does not prove anything.

10 p.m.

Mr. GOULD: They have served a good purpose.

Mr. SALES: Yes they have, and they will serve a good purpose again when it is a wet year and there is a great deal of tough grain, but it is only under these exceptional circumstances that those houses will be used.

Mr. DUNCAN: There seems to be a lot of talk about these elevators, but if the government would make these people build their own elevators, they would keep out of trouble. In the little city of Owen Sound we are building a million dollar elevator ourselves without asking the government to do anything. I think that is the rule the government should go by,—make them build their own elevators.

Item agreed to.

Halifax elevator, towards construction of, $575,000.

Mr. BLACK (Halifax): Why and on what principle does this item come under the head of Trade and Commerce? It would appear to me as if it were a part of the railway. The railway, in having an elevator, is simply completing its facilities for carrying on its legitimate business.

Mr. LOW: The government is simply continuing the policy that has been followed in regard to elevators at ports like Halifax, Prince Rupert and Vancouver.

Mr. GOULD: What is the estimated capacity of this elevator that is being erected at Halifax?

Mr. LOW: One million bushels.

Mr. GOULD: And what is the estimated cost?

Mr. LOW: It will be $622,500.

Mr. BLACK (Halifax): Is the present elevator at Halifax under the control of the department?

Mr. LOW: No.

Mr. BLACK (Halifax): It is a small one, capable of handling grain, and I believe it is part of the railway equipment.

Mr. LOW: Yes.

Mr. STEVENS: When this elevator passes into the control of the railways, will the department or the minister see that the control of fees is retained in the Board of Grain Commissioners? Will the railways take over the capital charge, as the Vancouver Harbour Commissioners did?

Mr. LOW: The hon. gentleman misunderstood me; I did not intimate that the elevator at Halifax would pass into the control of the railways.

Mr. STEVENS: It will remain under the control of the department?

Mr. LOW: That is the intention.

Mr. GOULD: Was a specification submitted and were tenders called for?

Mr. LOW: Tenders were called for and the contract was awarded to the lowest tenderer.

Mr. SPEAKMAN: How much was spent of last year's $200,000?

Mr. LOW: The amount expended was $19,983.

Mr. SALES: Who is the engineer for the Halifax elevator?

Mr. LOW: The engineers are J. S. Metcalf & Company of Montreal.

Mr. SALES: Again I feel I must protest against the cost of these elevators. One was built some time ago at Vancouver at a cost of ninety cents per bushel capacity at the same time that elevators were being built at the head of the lakes at a cost of twenty-three cents. Now we have in the case of this million bushel elevator a cost of 62½ cents per bushel capacity. I do not understand why there should be this discrepancy; I do not see why an elevator should cost so much more at Vancouver than one at the head of the lakes.

Mr. STEVENS: Does the hon. member refer to No. 1?

Mr. SALES: The one we dealt with in this House two years ago; it was an addition and cost something like ninety cents per bushel.

Mr. STEVENS: Twice as much as the orginal one.

Mr. SALES: Yes; I am pleased to be supported by the hon. member again. I protested at that time and informed the government that elevators were being built then at a cost of twenty-three cents per bushel capacity. In the case of that expensive elevator Metcalf & Company were the engineers. I pointed out to the government on that occasion that a certain gentleman was constructing practically all the elevators in the western country at the head of the lakes and had been employed by the government formerly; and that gentleman I understand was the engineer for the Edmonton elevator. I should like to know what was the cost of the Edmonton elevator per bushel capacity, for the purpose of comparing the figures of one firm with those of the other. There seems to be some extravagance here.

Mr. LOW: The capital cost of the Edmonton elevator is $1,462,601.17 and the capacity is 2,500,000 bushels.

Mr. GOULD: Was there a tender in that case?

Mr. LOW: Yes; the contract was awarded to the lowest tenderer.

Mr. GARDINER: What possibility is there of grain passing through the elevator at Halifax, and have any arrangements been made to give a freight rate that will induce the shipment of grain through that elevator?

Mr. LOW: The fixing of rates by rail is of course a matter for the Canadian National Railways, but I have no doubt, so far as water is concerned, that the elevator will be taken advantage of, as vessels are always glad to get wheat as ballast.

Mr. GARDINER: Personally I have no objection to the building of an elevator at Halifax provided business will go that way, but I think it is a very stupid policy to build an elevator there unless we are assured that grain will go through that port. I think we should have that assurance before passing this item; otherwise the minister should take up the whole question with the railway officials to find out just where he stands.

Mr. FINN: The matter of building the new elevator at Halifax has been gone into very carefully by Sir Henry Thornton and his technical officers in connection with the movement of grain through eastern Canadian national ports in winter. I may say for the information of the hon. member that by the removal of the differential of one cent over St. John, Portland, New York, Philadelphia, New London and Boston, Halifax will in future enjoy the same grain rate as all other Atlantic ports both in the United States and in Canada. The rail haul is somewhat greater, but that absorption must be taken care of by the country as one of the national necessities. There is no man in this country, nor is there an hon. gentleman in this House, who will not admit that we in the Maritime provinces are entitled to have our national ports developed. We do not intend to permit the ports of the United States to be used by our western Canadians when the ports of eastern Canada can be developed and utilized. When the four eastern provinces entered confederation they gave to this country, in their ports, a great national asset which is of advantage to the whole Dominion from the Atlantic to the Pacific. Are we to be told by the newcomers to the west that we are not to share in the grain traffic by its shipment through our national ports in winter, but that of necessity it must go via Buffalo, New York or Portland? Our western friends must remember that we have some rights. I do not believe the solution of our difficulties will be found in separation, whether of a fiscal character or by absolute secession. These words are not in my vocabulary; they are not part of my programme. But I would direct the attention of hon. members to the resolutions that have been passed unanimously by the Nova Scotia legislature and to the platform adopted by the Conservative party in Nova Scotia in connection with the provincial election which is to take place within the next two months. The Conservative party in Nova Scotia state that we must take charge of our fiscal policy, of our fisheries and of our Intercolonial railway, and that if we cannot get a recognition of our rights from the federal authorities, the only alternative is an appeal to the British parliament, which means the withdrawal of Nova Scotia from the federation. The hon. member for Brantford (Mr. Raymond) has said that the only trouble with Canada is that we are not one hundred per cent Canadian. What we want in this country is one hundred per cent Canadians. Last year I ventured the statement in this House that if there was a refusal to send grain through our Canadian ports in winter the government should consider the advisability of imposing an export duty on grain shipped through foreign ports, and in the report of the grain commission I find that very solution recommended to the consideration of the government. An examination of the figures with respect to the business done through the port of Halifax from last November until the end of April will show that there has been an increase of over 100 per cent. More than 165,000 tons of shipping went through in one week, and eight or ten of the biggest liners were landing passengers and freight at Halifax and going on their way. I am told on responsible authority that if we have a terminal elevator at Halifax and if these shipping concerns, such as the Cunard, the White Star-Dominion, and the Donaldson lines, could be assured of basic cargoes of grain at Halifax, they would make that port their western terminus. They would load and unload freight there and save a day going to Portland or New York and a day on the way back, which would enable them to make two more trips during the six months' sailings from the Old Country to Canada. Our Canadian west to-day is practically gridironed with railways which have cost the country two billion dollars, of which the Maritime provinces have paid their proportion. We have only one line of railway in Nova Scotia. We are not enjoying the fruits of the Transcontinental. A short line has been built, the Long Lac section, connecting the Canadian Northern up with the Transcontinental and providing easy grades through to Quebec and one to Moncton, and thence to St. John and Halifax. If that road is utilized there will be no difficulty in sending through the port of Halifax in winter sufficient grain not only to keep this elevator going but to require the services of another as well, or perhaps an enlargement of the elevator, now under construction in accordance with plans drawn under instructions of the hon. Minister of Trade and Commerce. The hon. junior member for Halifax a few moments ago made reference to the old elevator at Halifax. That elevator is a thing of the past. It is a wooden structure and the insurance rate is so high as to make its use by shippers out of the question. The new elevator is situated at the new terminal and is part of the national terminal system inaugurated by the then Prime Minister of Canada, Sir Robert Laird Borden, in connection with the great scheme of ocean port development at Halifax. The elevator is now being constructed. I

do not know whether or not my hon. friends opposite read of what is going on in the east. I had always thought that the wise men came from the east, and after some remarks I have heard to-night I am more confirmed than ever in that opinion. The contract for the Halifax elevator has been let to the Cape Construction Company. The excavation is finished; one hundred and fifty men are at work setting up the forms. The elevator will be completed by October 1, and by November 1, grain shipments will be going through it. Sir Henry Thornton was asked in Halifax by Mr. George S. Campbell, ex-president of the board of trade, and president of the Bank of Nova Scotia, whether or not the elevator would be utilized when completed. I was rather surprised at that question, because when Mr. Campbell was president of the board of trade he was always wanting an elevator built at Halifax, but when it was going to be built then some people did not seem to want it. But the answer of Sir Henry Thornton was that he could give the assurance that when the elevator was built it would be utilized. He said grain would be put through it, and that with the development of the port of Halifax perhaps more than one elevator would be required. Some hon. gentlemen opposite took a trip last year to that city by the sea. I regret that owing to personal reasons I was unable to be with them; my heart was with them anyway. I think they left Halifax feeling that they had been well looked after, well fed and in good spirits. Listening to the remarks of some hon. gentlemen to-night I have come to the conclusion that they are no longer hungry and that the spirit is not moving them, because they said some things in Halifax that made us believe that their efforts in this House would be in the direction of making Halifax a great national port. I would ask hon. members to turn their minds back to the period between 1914 and 1918, and to picture the inner harbour of Halifax, known as Bedford basin, with 135 ships carrying troops, ranging from the size of the Olympic, 46,000 tons, down to ships of 5,000 and 6,000 tons, to say nothing of the utilization of that port as a naval base. And now we are told that we are no longer to participate in the great national port development of this country, and we are to be questioned as a child as to whether or not grain is going to go through an elevator there. We are told the expenditure is useless. Mr. Chairman, if they are not doing anything to widen the breach, they are not doing anything to help better the situation in connection with the development of Canada and her greater nationalization.

My hon. friends talk about the Hudson Bay railway. I have nothing to say about it except this, that the ships will have to go in there through icebergs, and it will then be a question as to what Lloyd's will have to say as to the insurance rates, but if the government of this country, and the late government have obligated themselves to building that road, then I say they are morally bound to continue that effort when the finances of this country will permit. But we are not so situate on the eastern seaboard of this great Dominion, and my only reason for speaking to-night, Mr. Chairman, is that it makes me feel sick at heart when I hear hon. gentlemen opposite speak as they do in reference to port development at the city of Halifax, and when I look across the floor and see my colleague, the hon. junior member for Halifax, who from the very inception of this grain elevator at Halifax, has helped it by damning it with faint praise, I say he has not stood up for the interests of Halifax. He can make a speech in reference to secession while failing to look after the interests of the port, but I would like to say to him that this afternoon I received a postal card, which I have in my pocket—

Mr. McMASTER: An economical correspondent.

Mr. FINN: Economical people come from the east, not from Brome. The card is headed Halifax Ocean Terminals. On the left is marked "Grand Desert," which is a very strong Liberal section as the junior member for Halifax knows. Next comes Chezzetcook; my hon. friend has been there, or if not his emissaries have. Further along is Musquodoboit, and then I see in pencil Finn's elevator, and across the way is Finn's Dartmouth pier, and then there is a steamer going down the harbour, and it is labelled "Bill Black's Canadian (Norwegian) ships (tubs)."

When my hon. friends opposite speak of bringing back Nova Scotians to our land, of bringing back our hardy fishermen to our three-mile limit seas, of bringing back our sailor lads to go on our own ships, I wonder if my hon. friend the junior member for Halifax has any ships under his management flying the English flag or having on board a Nova Scotian as a sailor. Actions speak louder than words, and when I hear hon. gentlemen in this House, and particularly the junior member for Halifax, with his seniority of years, making such statements it too makes me sick at heart, and almost makes me feel that any humble effort on my part in this House is in vain, but it will not be if I can help it.

Mr. SPEAKMAN: Mr. Chairman, after listening to the eloquence of the senior member for Halifax, I am convinced of one thing, that while all wise men come from the east, all men who come from the east are not necessarily wise. The suggestion thrown out by the hon. gentleman that because some members in this corner of the House question the building of this elevator, they are therefore opposed to the use of the port of Halifax, is an erroneous presumption.

Mr. FINN: How can you use it if it is not equipped?

Mr. SPEAKMAN: The question, as has been stated by my colleague from Medicine Hat, is one of transportation. We have made the statement, and I will repeat it, that unless proper transportation adjustments can be made so that grain can be carried to Halifax, the elevator is no good. If these adjustments can be made and the port be profitably used, I think I can speak for all of us in this corner of the House when I say that we are glad to see Canadian ports used. But first and foremost, and all the time, it is a question of transportation.

Mr. COPP: What adjustments does my hon. friend think necessary to be made?

Mr. SPEAKMAN: I will come to that in a moment. When our friend from Halifax points his finger at us and says it is our co-operation that is necessary, he is showing that he is not fully conversant with the conditions governing the transport of grain. In the first place, the men we represent have not the routing of the grain.

Mr. FINN: I meant your co-operation in the House. We will look after the people in the country.

Mr. SPEAKMAN: Precisely. In the second place, as it is a question of transportation, and therefore a matter of governmental policy, it would be much more to the point if the senior member for Halifax would direct his attention to the front benches on his own side of the House, who alone in this House have the right to inaugurate such governmental policy.

I might just say one word more about transportation. It has been a rather remarkable thing to me since I came into this House to hear the members from the Maritime provinces, on the one hand, and on the one subject, stretching forth the hand of co-operation to the shippers and asking them to ship if possible their grain through Maritime ports, and on the other hand, condemning the only agreement we have that would make it possible to ship the great part of the grain eastward at all, because if it were not for the provisions of the Crowsnest pass agreement, which gave us lower rates to the head of the lakes, winter haulage to the eastern ports would be almost impossible, and the great bulk of that grain would be obliged to go over the short haul westward. I have sometimes wondered why they did not have a broader concept of national statesmanship, and a realization that co-operation in transportation matters, which is the crux of the whole situation, must come from both ends. Our low rate on grain east has been the subject of adverse comments in many parts of this House, and particularly by members from the Maritime provinces, and yet were it not for those rates which they condemn as being a special privilege given to the west at the expense of the east, very little of the grain which they anticipate going through the elevator at Halifax would ever go eastward at all during the winter season. We have to keep these things in mind from both ends, and I can assure my hon. friend that if proper arrangements can be made,—and in reply to the Secretary of State, let me say that I am not the man to suggest these arrangements; that is for the government—I am willing to support any reasonable readjustment of transportation costs which will enable us to ship our goods profitably through our own ports. I am willing to support any arrangement to that end, and the Crowsnest pass agreement comes under that head, and if our friends from the Maritime provinces will co-operate with us, and allow us to co-operate with them, to secure the minimum rates both ways to utilize our own ports, we are with them.

Mr. FINN: In reply to my hon. friend's statement regarding the Crowsnest pass agreement, reading the judgment of the Supreme Court of Canada, and reading the judgment of the Chief Railway Commissioner, I gather that the Crowsnest pass rates would be equitable if they applied eastward beyond a point in the province of Quebec, but there they halted, and the Maritime provinces do not enjoy those through rates. It was contended on the part of the Maritimes before the railway commission and before the Supreme Court of Canada that the action of the Canadian Pacific Railway Company in arbitrarily cutting off those rates prevented the Maritime provinces from enjoying the through Crowsnest pass rate eastward the same as westward.

Mr. CAMPBELL: Is it not a fact that from Goderich to Halifax there is a very much lower rate in existence to-day than the Crowsnest pass rate?

Mr. FINN: On what commodity?

Mr. CAMPBELL: On wheat or any grain.

Mr. FINN: It is impossible to have a cheaper rate from Goderich to Halifax because my hon. friends opposite are contending that no grain is or should be going through the latter port.

Mr. CAMPBELL: No hon. gentleman in this section of the House made that contention. The hon. member is reading into the speeches of some hon. members here words that they never uttered.

Mr. FINN: Then I must ask this question: If the rate on grain from Goderich to Halifax is cheaper than the Crowsnest pass rate, why is it that grain has not been going through to St. John and Halifax for shipment abroad?

Mr. CAMPBELL: If grain is not going there that is not the fault of hon. gentlemen in this section of the House. That is the very question the hon. member for Medicine Hat (Mr. Gardiner) asked the minister. Surely that is a proper question. I see nothing sectional in it at all. The hon. member is not in a position to lecture us for being sectional when he, and most of his colleagues from the Maritime provinces, introduces the question of the Hudson Bay railway and damns it not with faint praise but in the most emphatic manner.

Mr. FINN: All I do say is that from the time this question of building an elevator at Halifax was first mooted by myself two years ago, in the dying hours of the session when the morning light was coming through the prism glass, hon. gentlemen opposite—and they were not confined to the Progressive group; some of my hon. friends in the Conservative party who have since seen the light did the same—were taking exception to the building of an elevator at Halifax. They told us that it was impossible to put grain through the port of Halifax, that it was impossible to do anything for that port. We are not sectional in the east.

An hon. MEMBER: No.

Mr. FINN: No we are not. We can only prosper in the east if the west develops. But the central parts of Canada must also develop. If my hon. friends opposite feel that the panacea for all the ills of Canada is free trade, or something approaching it, I do not agree with them. I agree that we must have a national policy, a policy that will take care of the great industrial centres of Canada; but it must be a moderate protection with the object of protecting the market of the manufacturer as against outside competition but not to be added by him to the selling price of the goods manufactured. That is the policy I believe in, and I believe it is the one that will build up this country. I have never objected to the Crowsnest pass agreement. I have always contended that it was a statutory agreement, and such being the case there was a moral obligation on the part of the government, and on the part of the courts and the railway commission, to carry it out. Now that the situation has been cleared up the duty devolves upon parliament to find out what is the best in the interests of the whole of Canada in regard to the equalization of freight rates. I say that the Crowsnest pass agreement is to western Canada what the assurances were, inferentially, and morally to the Maritime provinces when the Intercolonial railway was built, I think we may not be very far apart when the question comes up for discussion and decision. But I would not want any hon. gentleman opposite to think that I have any sectional feeling against the west, because on its great development and on its future the future of Canada as a great nation also depends. But it cannot be a great nation without its eastern and its western gateways; and if you close the eastern gateway and depend upon American ports there may come a time when they may not be open to you and then where will you be? You will be nowhere. I think that is a fair statement to make. I think that was the idea in the minds of the Fathers of Confederation in the building of the Intercolonial railway, the Canadian Pacific, and later in the mind of the Right Hon. Sir Wilfrid Laurier when he had the vision in the building of the Transcontinental railway, in order to connect the Maritime provinces with central Canada, the middle west and far away British Columbia. I should like to say before I sit down that I have no idea of being sectional; and any measure that will bring relief and development, and more contentment, happiness and population to our great western prairies will have my hearty support so long as I have the honour of a seat in this House.

Mr. CAMPBELL: I am glad to have the assurance of the hon. member that there will be no sectional attitude adopted by himself, and I presume the same remark applies to his colleagues, towards some of the great problems awaiting solution in western Canada to-day. There may have been some sectionalism displayed in this quarter of the House, I do not deny it—

Some hon. MEMBERS: No.

Mr. CAMPBELL: —but certainly it is in no way comparable to what we have heard from hon. members from the Maritime provinces. With regard to the Hudson Bay railway, which is vital to us in the west, the project was opposed not only in this chamber but we understand in the Liberal caucus. These things leak out and I have heard that statement. I have heard that we have been assailed in the Liberal caucus—

Mr. GRAHAM: Things that happen in caucus do leak out.

Mr. CAMPBELL: In fact we were told that a year ago the minister had great difficulty in getting a small vote through the caucus. Now the hon. member (Mr. Finn) stated that in his part of the country they had to pay their share of an expenditure of two billions of dollars for constructing railways in the west. We are also paying our part of the loss incurred in operating the Intercolonial railway, but I am not complaining about it.

Mr. FINN: Is that loss in any way comparable with the deficit in the western section of the Canadian National Railway system?

Mr. CAMPBELL: The Intercolonial railway was built for strategical and military purposes; it was never intended to pay, and in all probability never will pay. Under the circumstances I have a good deal of sympathy with my hon. friends from the Maritime provinces when they demand that that system should be taken from the control of the Canadian National Railways and operated directly by the Department of Railways and Canals.

Mr. LOVETT: Digressing just for a moment will the hon. member tell us something about the Progressive caucus?

Mr. CAMPBELL: I think perhaps my hon. friends over there know just about as much as I do about the Progressive caucus, and perhaps a little bit more. There has been some very close contact between the two. Dealing with the problem of the Intercolonial railway we in the west all recognize that a pledge was given in connection with the construction of that line, and there will be no sectionalism displayed in this quarter if the government ever attempts to redeem that pledge. Now, the question raised by the hon. member for Medicine Hat (Mr. Gardiner) was a perfectly proper one. We have a right to know what provision is being made for transportation when a large capital investment for the handling of our grain takes place at Halifax. I would have the hon. member remember this, and I think the minister pretty well bore it out to-night—that most of the interest on this capital investment is paid by the farmers of Canada. It is true that some of the interior elevators are not paying, and I do not think they were ever intended to pay. Interior elevators in the prairie provinces were built primarily to relieve the railway companies through a congested period, they were not built particularly for the farmers at all, and if they are operating at a loss to-day I do not think the farmers should be blamed. Now, let me allude to another question and show why we raise this issue. Canada went to tremendous expense to build a railway from Winnipeg to the city of Quebec. That railway cost an enormous amount of money, and everybody says to-day its construction was a terrible blunder. Well, if the construction of the Transcontinental railway by the Laurier government was a blunder then I say it was a crime not to use it when it was built. That is one of our complaints in the west to-day. And why is that railway not being used? Because the rate over it is prohibitory; it is impossible for us to use that railway at all. And in addition we have expensive elevators and equipment at Quebec that are not being used. Instead of that we are sending 100 million, 150 million or 176 million bushels of grain out through American ports. From the remarks of the senior member for Halifax (Mr. Finn) one would think that the farmers of the west were responsible for that condition. But the fact of this immense volume of grain going out through American channels is one of the things we have been consistently complaining of every year since we have been sitting in this House. We want to see every bushel of it going through Canadian channels, and I look with hope and pleasure to the day when a large volume of it will go through Halifax. We want to see Halifax and the Maritime provinces develop, and I was glad to hear the hon. member admit that the future of the Maritimes, the future of central Canada and of the west, were bound up together. We believe to-day that one of the reasons that the eastern industries are not prospering and that so many thousands are out of work is largely because our farmers in the prairies are not able to purchase; and yet we see in eastern papers, and very often in Maritime papers, the suggestion that if cheap money is loaned to the farmers of the west the eastern people will have to pay for it. We see sectionalism in every corner. If we get money

we expect to put up the securities that will enable us to pay for it.

Mr. POULIOT: Does the hon. gentleman think that if the Hudson Bay railway were completed it would be of very great use for military purposes?

Mr. CAMPBELL: Did the hon. member say for military purposes? If we thought it would be used for those purposes, we would not be pressing for it. We want it for commercial and not for military purposes. We are not looking for war with other countries. I think the question of freight rates is a very vital one when an elevator is to be built, and I desire to urge the Minister of Trade and Commerce to try and induce his colleague the Minister of Railways and Canals to get a rate over the Transcontinental to Quebec, to enable the elevators and the equipment at that point to be utilized.

Mr. BLACK (Halifax): I am sure the committee are quite thankful to the hon. senior member for Halifax (Mr. Finn) for the entertainment which he afforded us this evening. I look upon the elevator at Halifax as a move in the right direction, inasmuch as it indicates a willingness on the part of the management of the railway and the government to create a trade through a Canadian port. For many years Halifax has been clamouring for that through Canadian trade. In the early days, when the board of trade of Halifax worked towards that end, we were cut off by the Grand Trunk system at St. Rosalie; and whilst the Grand Trunk system did provide some grain, which they did not want for their own rails, and gave it to the Intercolonial at St. Rosalie, to be shipped to Halifax, still there was nothing but the grain and heavy traffic that could be obtained from the Grand Trunk, the remainder of the traffic being sent to American ports. Perhaps our western friends are not aware of the fact that grain passing through Winnipeg has to be transported less than two hundred miles greater distance to reach Halifax than to reach the American seaboard.

Mr. CAMPBELL: Does the hon. gentleman mean the grain that passes through the city of Quebec over the Transcontinental by rail to Halifax?

Mr. BLACK (Halifax): Yes, the direct line to the seaboard is less than two hundred miles greater to Halifax than to the American seaboard; and that is not a very serious obstacle in the transportation of grain. Furthermore, if the management of the railway take into consideration this traffic to and fro, I see no reason why the products of the west cannot be taken to the Canadian seaboard, and the products of the east taken back by those same trains. It would be an interchange of traffic which I believe would be not only beneficial to the Maritime provinces but very beneficial to the whole of Canada.

I was very glad indeed to hear my hon. friend and colleague (Mr. Finn) express himself in regard to industry. We on this side of the House believe in protecting our industries, but not by high and unreasonable protection. I protest just now against the protection given to automobiles. It is beyond all reason that you can go across the line and buy a machine for half of what it costs when you have to buy it in Canada. That protection is not as it should be. I believe firmly in a moderate protection. I think that in some cases the manufacturers have taken advantage of protection, and I suggest in such cases a commission or organization of some kind should be established to control that sort of thing, in order to give us the products of our factories at a reasonable price. But if we threw this country open to free trade we would become depopulated and would be nothing. It would almost mean going over to our friends to the south of us. We must have population, and we want to be a thriving people. We must have a prosperous people to feed and clothe, if we would improve our country. We can only get the people by giving work to workmen and establishing factories in every corner of Canada, thus keeping our people at home. I am quite in accord with the remarks of my hon. colleague from Halifax in that respect. That is the policy which I understand is accepted by my friends in this corner of the House.

Mr. GOULD: Could the hon. member tell the committee the ratio of the outgoing and incoming shipping tonnage at the port of Halifax at the present time?

Mr. BLACK (Halifax): I cannot give the exact tonnage, but I can confirm what my colleague stated, that the increase has been very large. The ships, with the exception of a few of the very large liners such as the Mauretania and the Olympic have been calling at Halifax, largely because of the immigration regulations in the United States. The tonnage of ships calling there has been very large, and it has been of very great advantage to the port. Some of the vessels land cargoes and others simply land passengers. The increase of cargo landed at Halifax has been considerable. It was brought out, I think, at the time the delegation was

in Ottawa that nearly one hundred per cent of the imports into Canada were coming in under the preference given to Canadian ports. This of course applies to Montreal and Quebec in summer and to St. John and Halifax in winter.

Mr. GOULD: The reason I asked the question was that if grain were to find its way down to the port of Halifax in larger amount than at the present time, it would naturally make the ratio of outgoing freight greater than the amount coming back. I think some hon. member in this chamber a few days ago commented on the fact that about eighty per cent of the cargo space was taken on boats leaving the port of Montreal going out, and about forty per cent of the space coming back. It was out of all proportion. If we are going to establish a condition like that at Halifax, for instance, outgoing boats there will have to carry the burden of transportation to the ultimate port. The incoming boats will not. Therefore, since the hon. member mentions the matter of tariffs—and I do not think Cobdenism should have been discussed under this particular item to-night —he will not mind if I make the comment that moderate tariffs have killed the industries in the Maritime provinces. On the other hand, if we increase the British preference, the return cargoes into the port of Halifax will help to pay the cost of transportation.

Mr. GARDINER: I must apologize to the House for being responsible for the introduction of a second budget debate. I had thought, after twenty-four days of the budget, we would probably all be willing to forget it. I should like to say a word with regard to some of the remarks that the senior member for Halifax (Mr. Finn) made regarding the question which I put to the minister. Personally, I should be very glad to see the day when most, if not all of our grain, would be going through Canadian ports, but, as has been stated before, the question is one of transportation. I put the question to the minister in order to try to ascertain if there was any possibility of getting our grain through the port of Halifax. If so, I am quite sure I would be only too willing to support such a move. The senior member for Halifax (Mr. Finn) read us quite a lecture. In fact I felt that I had been properly spanked. Under the circumstances, however, I do not feel that I hold any grudge against him, but we must come down to the question of transportation rates, and that is the problem I should like the minister to explain to the House before this vote passes. What is going to be done in the way of transportation rates that will in some measure give grain from western Canada an opportunity of going through the port of Halifax?

Mr. GRAHAM: The only answer I have to make is that it can be routed through Halifax now and it will not cost a farthing more than it does to send it to Portland.

Mr. SPEAKMAN: Will it not cost the National Railways a farthing more?

Mr. GRAHAM: I did not say that.

Mr. SPEAKMAN: I understood the National Railways and Canada were synonymous terms.

Mr. GRAHAM: Yes, but the hon. member who asked the question knew all about that. He was not talking about the National Railways. In fact, there is a kind of penchant to put everything on the Canadian National Railways when you cannot find anything else to put it on. I agree with my hon. friend; he was right there, but nevertheless the rate to Halifax for a bushel of grain from Winnipeg is just as cheap as to Portland, and if hon. members will route it to Halifax, it will be carried.

Mr. SPENCER: Can the minister give any reason why it is not going that way?

Mr. GRAHAM: One reason is, I suppose, that there has not been an elevator.

Mr. EVANS: I have listened to the two members for Halifax and I am not convinced yet as to the need for an elevator at that port, that is for the grain trade of the west. If the port of Halifax needs a grain elevator, the people there should build one, just as the people of Owen Sound are doing. Moreover, I have information that the cost per bushel capacity of the transfer elevator at Owen Sound will not be much over one-fifth of what it is at Halifax. I should like to know from the Minister of Trade and Commerce why it costs so much more at one port than another.

Regarding the statement of the Minister of Railways and Canals that it will not cost any more to carry a bushel of grain to Halifax than it does to Portland, the senior member for Halifax practically gave the case away when he said that he had some promise of the differential being abolished.

Mr. FINN: It is abolished. This is no promise. We have it.

Mr. EVANS: Then the deficit on the Canadian National Railways will be that much greater?

Mr. FINN: What about the Crowsnest pass agreement?

Mr. EVANS: We are already hauling the coal of Nova Scotia into Ontario under a subsidy, and now the grain trade is to be saddled with a subsidy to haul our wheat to Halifax. We are overburdening an already overburdened industry when we are placing any extra cost of this kind that is not needed on the grain trade of western Canada.

Mr. CAMPBELL: Following up the question asked by the hon. member for Battle River (Mr. Spencer), I should like to know how it is that the rail rate to Quebec is just about the same as the rail rate to Halifax. Why can we not get our grain to Halifax at the same mileage rate or something reasonably near it? Perhaps the Minister of Railways and Canals can explain that.

Mr. GRAHAM: That is one of the things that I have been trying to find out for some weeks.

Mr. CAMPBELL: Not years?

Item agreed to.

Prince Rupert elevator, towards construction of, $500,000.

Sir HENRY DRAYTON: What is the cost of this elevator?

Mr. LOW: The contract has not been awarded for the superstructure and we do not know what the exact cost will be. The contract has been awarded for the foundation and excavation at $222,000. Tenders have been called for the superstructure and they are due a week from to-day, the 11th May.

Sir HENRY DRAYTON: Surely the minister can give us an estimate of the cost.

Mr. LOW: It is the practice of the department not to make public the estimate until after the contract has been awarded.

Sir HENRY DRAYTON: Can we look with any assurance upon the estimate here? I do not know whether it is the practice to mislead in these estimates or not. I do not suppose it is. We have here an estimate for $500,000. Is that the whole amount?

Mr. LOW: No, there will be a further amount in the supplementary estimates. We never like to place in the main estimates, when the contract has not been awarded, anything more than we think will be necessary. As a rule we usually place a smaller amount.

Sir HENRY DRAYTON: I would think the committee had a right to get some idea of the expenditure we are being committed to. The minister does not state what the expenditure is. The committee has a right to know the estimated cost of this work before it commences. What is the estimated cost?

Mr. LOW: I have given the hon. member my reason for withholding that until the contract has been awarded. The tenders will be opened a week from to-day. I have no objection to allowing the item to stand over, if my hon. friend so desires, and the tenders will have been opened when the estimate comes up again.

Item stands.

Commercial Intelligence service (including the salaries, travelling expenses, contingencies, and other expenditure of trade commissioners, assistant trade commissioners, junior trade commissioners and commercial agents; the travelling expenses of officials at Ottawa; the salaries of the temporary clerks at Ottawa; and miscellaneous expenses in connection with the development and extension of Canadian trade), $341,750.

Mr. STEVENS: Will the minister, under this item which is a very important one dealing with the whole question of commercial intelligence, be good enough to give to the committee the usual report or explanation of the items dealing with the general condition of trade, the progress being made in the expansion of Canadian trade through the agency of commissioners, and so on? I should like the minister particularly to give us some definite information regarding any progress made in the Fijian trade as well as expansion in our trade with Mexico. The minister will recall that an officer of the department, Mr. Waild, now resident in Mexico city as an officer of the Customs department, made in the autumn of 1921 a very careful investigation of trade conditions between Canada and Mexico. An excellent report was filed with the department and hopes were entertained of taking advantage of the good feeling existing in Mexico towards Canada in trade relations. I have for some years been hopeful that this trade would expand. Then there is the very interesting trip that was undertaken by my hon. friend opposite (Mr. Logan) to the West Indies, the government having had a laudable ambition to extend our trade in that part of the world. These are some specific items. There was also an opening for the expansion of trade to South American points, to the west coast as well as to other sections of that continent. I am sure it would be most interesting and informative to the House if the minister would give some idea of the results accruing during the last year from the services of the commercial intelligence branch.

Mr. LOW: The annual trade returns speak louder than any comment I might make and they show a marked increase in export trade. The hon. member has referred to Fiji; we have no representative there. As regards the expansion of our trade in Mexico and South America, the results are all shown in fair detail in the monthly trade returns of the department. I am sorry I have not a copy with me to-night. With many hon. gentlemen, I agree that there are great possibilities in the West Indies and countries bordering on the Caribbean sea. It is a matter of dollars and cents entirely. We should like to spend more money in the expansion of our service, but unfortunately in these days of economy we cannot spend all that we should like. In reference to the work performed by our trade commissioners, we have received many letters in the department expressing appreciation of the services rendered. I am of the opinion that the money of the country is well spent in these services and I hope the day is not far distant when we shall be able to supplement the vote by a considerable amount. The vote is slightly larger than the amount asked for last year but not as large as I should like it to have been. However, it is as much as our financial condition will permit.

Mr. STEVENS: The committee will appreciate the minister's response to my questions but it has not been fruitful of very much valuable information. I shall have to be more specific and put my questions one by one. First, has the minister any information regarding the extensive negotiations carried on between the government of Canada and the government of Fiji with reference to the development of trade to the Pacific ports of this country? Is there any definite and up to date information on that subject?

Mr. LOW: Some months ago a representative from Fiji visited Ottawa in an endeavour to promote the banana trade, but for some reason he felt he was unable to compete with the United Fruit Company of the United States. The last I heard from him was that he was going over to New York to meet the representatives of that concern. That is the only information we have had in connection with the trade with the island of Fiji.

Mr. STEVENS: That virtually means that nothing has been done. I recall the incident referred to by the minister; the representative of the island was discouraged by his reception in Canada and he then appealed to the United Fruit Company and a representative of the company went to Fiji. That I contend is an evidence of failure on the part of Canada. Now we do not want to get entangled particularly with the United Fruit Company. What the Fijians want is some steamship service between their island and Canada which will enable them to get their products into this country; and they are prepared in return to purchase generously from Canadian manufacturers of the goods they use there. I had a talk with Mr. Holdsworth, of the Canadian-Australian steamship line only a few months ago, when I happened to meet him casually in London, and I discussed the possibility of his line furnishing that service.

Mr. LOW: His ships call at Fiji.

Mr. STEVENS: Yes. The Fijian government suggested that a contract be entered into with the Furness-Withy Company to put on three or four—I think three—ships with suitable cold storage facilities to ply between Fiji and Vancouver. That matter remained in abeyance—I am not criticizing but merely stating facts—through the action of the government, in conjunction with the Canadian National Railways, the idea being that the Canadian Government Merchant Marine might undertake the service. The matter has drifted now for fully a year under these circumstances. I want to impress upon the minister the belief that Canada is losing very valuable trade. Australia has developed a banana and pineapple production, having heretofore obtained their supplies of these commodities from Fiji. So that Fiji is now left without its market for these things and she is now looking to Canada for one. It would be to Canada's advantage to develop that trade and get our tropical fruits, bananas, pineapples and so on, as well as cane sugar and other products, from that island. It would be better to do that than to buy them through the United Fruit Company of the United States. I had hoped, in the interests not only of the Pacific ports but of Canada at large; in the interests of the sale of our manufactured goods, that this trade would be fostered and developed. I do not think it would require very much co-operation on the part of the government of Canada to bring about a decided improvement in these conditions. If a year ago the Canadian Government Merchant Marine had decided not to touch it and Furness-Withy could have been given a free hand, they would have put their ships on and developed that trade. It is deplorable that this trade, not tremendous in extent but certainly very valuable, has been allowed to slip away from us; because that is

virtually what it means if what the minister states now is the case. The situation in Mexico is very much the same. Mexico was very much chagrined in connection with American traders and American trade, and was anxious to extend a good deal of that trade to Canada; it was so stated to our representatives who were sent down there by the government of Canada. Yet nothing has been done to foster that trade. I am sorry the minister has not been able to give us some encouragement in this direction. If, as he states, these are the facts, and nothing has been done, then it does not speak very well for the expansion of Canadian trade. The minister refers to the excess of exports over imports last year. That is all right, but it is not reaching out into those new markets which are close to Canada and which are likely to increase year by year if we foster them and take care of them. The excess of exports referred to by the minister was governed for the most part by the exceptionally large grain crop of 1923.

Mr. LOW: I did not speak of the imports; I referred only to exports.

Mr. STEVENS: It was the increase of exports, and that was largely attributable to the abnormally heavy grain crop of 1923; in fact, the export ran into the midsummer of 1924. All that is very true, but I do deplore the failure to take advantage of this new business which was offered to us. In addition to that, there is the Australian business. Has the minister any information to give us with regard to Australian trade?

Mr. LOW: As to the Australian agreement, that question has been answered almost every day of the last week by the Prime Minister. I have nothing further to add in that respect. With regard to trade with Fiji, it was the opinion of Sir Henry Thornton upon investigation that the business would not warrant the weekly service that was requested.

Mr. MEIGHEN: If I remember correctly, last year the minister passed some strictures on the Civil Service Commission for having a regulation that only university graduates could be appointed trade commissioners. Is the minister of the same view still—that this regulation is wrong?

Mr. LOW: I am of exactly the same opinion as I was at that time—that many good men who are not university graduates would make splendid trade commissioners. But the regulation still stands.

Mr. MEIGHEN: Does the minister say he has not himself approved of that regulation since?

Mr. LOW: The regulation still remains.

Mr. MEIGHEN: It is not a regulation at all. The minister himself submits to the Civil Service Commission the qualifications he requires in an applicant. The reason the matter came up was that one of the many civil service advertisements that go out calling for applications for new positions reached my office, and I read the following:

> Wanted, four junior trade commissioners, male, Department of Trade and Commerce. Salary $1,500 per annum if without business experience. Candidates who have had at least three years' business experience will receive a salary of $1,800 per annum. Qualifications required, graduation from a university of recognized standing on or before the date of examination. . .

There are other qualifications, but this is one essential—and this advertisement is dated March 23 of this year. How does the minister explain having these qualifications insisted on by his own department this year when last year he censured the Civil Service Commission because it had insisted on them?

Mr. LOW: I am simply continuing the rule that was in force when I took over the department. I have not yet decided to change it.

Mr. MEIGHEN: But the minister condemned the rule, and if he condemns it now why does he stay with it? He condemned the rule and condemned the commission; indeed he held them up to ridicule in this House. When I saw this advertisement I made inquiries to find out what was the matter. I knew the minister had endeavoured to make capital against the commission in this parliament for putting up what he called an absurd rule—that nobody but a university graduate could be a trade commissioner; and the information I got was that the minister's own department and his own deputy and the minister himself, had insisted on it. The minister cannot deny that right now.

Mr. LOW: The Civil Service Commission drew that regulation in the first instance; I suppose my right hon. friend knows that.

Mr. MEIGHEN: That has nothing to do with it. I inquired because I recognized that this was wholly at variance with what the minister had said and my information was that it was submitted to the minister's department, and the minister's department themselves insisted on this qualification being inserted. Has the minister not an apology to make to the commission?

Mr. LOW: It is not a question of insisting; it is a question simply of allowing it to remain.

Mr. MEIGHEN: Why does the minister allow it to remain? The minister knows that all he has to do is to recommend an alteration and it goes into effect; he does not need to initial any qualification at all. This is his qualification. Now, if he has changed his mind and finds the commission right, is he not prepared to apologize for what he said a year ago?

Mr. LOW: I have no apology to make to the commission. I am of the same opinion as I was last year, and I shall use practically the same words to express it again: I am of the opinion that many good men who are not university graduates would make splendid trade commissioners. But that regulation was there when I took over the department, and to date, I have not changed it.

Mr. MEIGHEN: The minister cannot put it that way. It is not a matter of simply not changing it; the minister has ratified it himself. The minister has ratified it in his department; so has his deputy. This matter was drawn to my attention by a man who came to my office and complained that because of the war he had not been able to finish his university course, and he wanted to know if this was an ironclad regulation which would prevent his trying the examination. I made inquiry because I had heard the minister say he had no use for this regulation at all—for this qualification. It is not a regulation; it is a qualification.

Mr. LOW: The right hon. gentleman says I have no use for the regulation. I quite agree that a man with some business experience, although he is forty years of age would perhaps make a much better representative than the younger man with the university training.

Mr. MEIGHEN: That is not the point. The qualifications demand a university education, and that is demanded at the instance of the minister. I had occasion to inquire because this man called upon me, and here is the minister himself insisting upon this qualification that last year he ridiculed in order to strike at the commission. That is the position the minister is in now. And not only this qualification but another one, where it was insisted the man should be thirty-five years of age. This was also held up to scorn, and now I see the minister insists upon it himself. What I cannot understand is why the minister does not stand up and say, these are proper qualifications, because these qualifications are his own. What is here in this advertisement is with his own authority, for I had occasion to find out.

Mr. LOW: I suppose my hon. friend knows that the age limit of thirty-five is laid down in the Civil Service Act.

Mr. MEIGHEN: I do not like to dispute a thing too positively until I know, but I do not think it is. Certainly the other qualification is not; that is the minister's own.

Mr. LOW: That is right.

Mr. LOGAN: I am not going to make any extended remarks on this vote to-night, because there will be a vote in the supplementaries, I presume, which we can discuss at greater length. I desire to urge upon the minister that if he has the power to change that regulation in reference to a man being a university graduate and being under the age of thirty-two, I think it is, not thirty-five as the right hon. leader of the opposition stated—

Mr. MEIGHEN: My own impression is the act does not say anything about the age. It is thirty-five in the advertisement.

Mr. LOW: I think it was thirty-two prior to this year.

Mr. MEIGHEN: When was the act changed?

Mr. LOW: The act was not changed at all.

Mr. MEIGHEN: The minister said it was in the act; I thought he was wrong.

Mr. LOGAN: I am glad three years have been added on in the last year. I look upon the regulation that a man shall be a university graduate and not over thirty-five years of age to be a trade commissioner as the height of nonsense. I would rather have a man with experience in business whether he was fifty-five years of age—

Mr. MEIGHEN: The hon. member said he was glad the three years had been added. That makes it worse according to his view. He must be thirty-five now.

Mr. GRAHAM: He cannot be over thirty-five now.

Mr. LOGAN: I think that is the age limit. He cannot be over thirty-five. That is better than thirty-two. I think we had better have this matter cleared up before we take up the supplementary estimates, because the right hon. leader of the opposition says one thing

and there is a statement to the contrary by the minister, and no one seems to be exactly sure about this matter. If the act required the age to be only thirty-two last year, it requires it to be the same age this year, because the act has not been changed since.

Mr. MEIGHEN: I think even the minister will see he is wrong. There is nothing in the act at all of that kind; it is in his own advertisement. I will read it:

Qualifications: Graduation from a university of recognized standing on or before the date of examination; general familiarity with the resources and industries of the Dominion; preferably three years of business experience; prepossessing personality; ability to exercise independent judgment, tact. Candidates must have been residents of Canada for at least fifteen years prior to the date of examination, and preference will be given to those who are not more than thirty-five years of age.

That surely disposes of the contention that there is anything in the act compelling them to be over or under thirty-five years.

Mr. GRAHAM: The act says thirty-five years.

Mr. MEIGHEN: That cannot be. This says preference only will be given.

Mr. GRAHAM: Then we have all been wrong for years past, because I have been telling every applicant that he could not get a position in the civil service if he was over thirty-five.

Mr. MEIGHEN: I fancy that does not apply to this class of position.

Mr. LOW: I must admit the leader of the opposition is usually right but on this occasion he happens to be mistaken. My deputy informs me that the age of thirty-five is the limit placed in the Civil Service Act.

Mr. MEIGHEN: Does that apply to this class of position?

Mr. LOW: Certainly.

Mr. MEIGHEN: Then this advertisement is foolishness. It says preference will be given to those who are under thirty-five, intimating clearly that those over thirty-five may be appointed.

Mr. LOW: The commission drew the advertisement.

Mr. MEIGHEN: They know the act all right.

Mr. LOGAN: If I may continue my remarks, Mr. Chairman, it occurred to me when I heard the leader of the opposition reading that advertisement that a man must be a university graduate and have had three years experience in business, and have a knowledge of Canada, and so forth, he was going to receive a wonderful income for all those qualifications—$1,500 a year. I believe the minister's desires are to get away from that restrictive qualification. The minister himself is a business man, and he knows there are many men in this country forty-five and fifty-five years of age who never saw the inside of a university who would make a much better trade commissioner than any callow youth with all the college medals on the earth pinned on him.

Mr. GRAHAM: Extend the age a little further.

Mr. LOGAN: It requires a man of personality, intelligence, with a knowledge of business, and a knowledge of Canada, not a knowledge of higher mathematics or of the classics.

However as I said before, this matter will be discussed on the supplementary estimates, when I hope it will not be so near midnight as it is now, and when it is discussed I would like to make a few remarks and urge that many changes be made.

I only say to the minister now that I believe if the government will introduce a bill to take the trade commissioners of this country out of the Civil Service Act entirely, the same as is done with the officers of the Taxation department, this House and this country will be behind them. I believe this is one part of the government service where the commission should not make the appointments, because it is more a matter of personality, tact, and business experience than a knowledge of academic subjects that is required. In the trip which I made around the Caribbean sea, I found two trade commissioners, and in looking up the records I find that the total amount paid for all our Commercial Intelligence service to the West Indies and all the land surrounding that sea comes to $4,000 less than the amount paid for the same service at Milan, Italy. It is about the same as is paid in Calcutta. I think, therefore, we must come to the conclusion that we are not overpaying the men who are down in the West Indies. However, these matters can be discussed at greater length on another occasion. I only rise now to state to the minister that I believe if he increased the vote for Commercial Intelligence manyfold this country would be behind him. When you travel throughout all these countries to the south and find in every town, and almost every village, a representative of the great American nation that is out for

trade, whereas you can only find two Canadian trade commissioners in that vast territory you may make up your mind that we do not deserve to get very much of the business originating there. To my mind the matter of our export trade is the great question before Canada to-day, particularly eastern Canada. They talk down in the Maritime provinces about building up industries by protection. Why, we have tried it for fifty years and we have failed. If you do not believe me, ask Mr. McCurdy. If you do not believe that gentleman, ask the junior member for Halifax (Mr. Black) after the speech he has made here to-night. Prosperity in eastern Canada depends upon export trade. However, I am getting drawn into another wide subject and I will not further continue along that line. Let me urge upon the minister that when he brings down his supplementary estimates he will increase the vote for this service, because it is of the most supreme importance. I am afraid the policy we are now carrying on is a good deal of a cheese-paring policy. Economy is a great thing, but a penny-wise and pound-foolish policy is not good for the export trade of this or any other country.

Item agreed to.

Soldiers Civil Re-Establishment—salaries, $21,500.

Mr. MEIGHEN: How late does the minister want to keep the House to-night? He got a lot of business through to-day.

Mr. STEVENS: Is this the first vote to this department?

Mr. BELAND: It is, yes.

Mr. McMASTER: We should get started it seems.

Mr. BELAND: This is a very small item.

The CHAIRMAN: Shall the vote carry.

Mr. MEIGHEN: This is something that has been objected to always, this sliding from the estimates of one department into those of another. The intention of the act is that each department shall be gone into separately so that if necessary a motion referring to it may be made before the estimates are taken up. That cannot be done if the minister slides into his estimates in this way. In saying that I do not intend any special reflection as respecting his department. I think the government ought to be satisfied with the very large amount of business put through to-day, especially in view of the eleven o'clock adjournment.

[Mr. Logan.]

Mr. BELAND: My right hon. friend is aware, that this has been done before.

Mr. MEIGHEN: Always under protest.

Mr. BELAND: In one case an item was considered in the evening for the first time some weeks ago, and we have now reached a much later period of the session. Of course I do not insist at all; if my right hon. friend says that we cannot get this vote to-night we shall have to go into committee some other day.

The CHAIRMAN: Shall I report progress on this resolution?

Mr. MEIGHEN: No, on the previous resolution.

The CHAIRMAN: This item, No. 36, stands.

Mr. MEIGHEN: Not called.

Department of Trade and Commerce—culling timber, annuity for one superannuated culler, $200.

Sir HENRY DRAYTON: I wonder what the idea is in calling this item to-night at this hour? Perhaps it is because the minister thinks that nothing more can be said on his estimates? I do not know whether he is going to make any plea for economy under this item. The minister has been talking about economy, and before closing for the night I am going to give him one or two facts arising out of his estimates. Instead of bringing about economy these estimates represent a substantial increase over the estimates of 1921-22, over the estimates that the government delights in pointing out were such high estimates, such tremendous estimates, estimates representing such tremendous extravagance as to justify the Prime Minister making the remarks that he did. The estimates for this department for 1921-22 amounted to $3,727,333. Now the estimates this year, and we are told there are going to be supplementaries, involve an increase of $214,472. The estimates for 1921-22, included an increase for the purposes of the Dominion census, which amounted to $1,620,000, so that we have in the exercise of this wonderful economy this year in connection with this one department an increase of $1,834,472 over the estimates of 1921-22 which this government have described as extravagant. I would suggest that during the adjournment my hon. friend consider these figures, that he read with some profit and turn to some use the speech of his right hon. leader in connection with the former government, and see if he cannot get down to the level of the former

government's extravagance instead of exceeding it by $1,800,000 odd dollars.

Mr. LOW: My hon. friend suggests that I carry these figures away with me over night. It is quite unnecessary for me to take any time in doing that or in answering him. My hon. friend says that the expenditure in 1921-22 was a million dollars less than in 1923-24. Was that his contention?

Sir HENRY DRAYTON: No, I did not say that at all.

Mr. LOW: Well a million dollars less than some year.

Mr. MEIGHEN: Than this year.

Mr. LOW: All right, than this year.

Sir HENRY DRAYTON: It was $1,800,000 odd having regard to the vote for the census.

Mr. LOW: Yes but not having regard to the building of an elevator at a cost of about a million and a half of dollars. That amount is included in the estimates of last year and this year. Included also are amounts for the Halifax and Prince Rupert elevators.

Mr. MEIGHEN: But the census is called for by the constitution; the Halifax and Prince Rupert elevators are not.

Mr. LOW: No, but the elevators are a necessity as my right hon. friend has said.

Mr. MEIGHEN: A necessity for the government.

Mr. LOW: So I think that if my hon. friend will carry these figures away with him he will come to a different conclusion. If he considers the amounts that have been placed in the estimates this year for the Halifax and Prince Rupert elevators he will find that they exceed the amount placed in the estimates of 1921-22 for the census by from two hundred to three hundred thousand dollars. Last year also there was a vote for an elevator at Edmonton, but no provision was made for elevators in the years my hon. friend speaks of.

Sir HENRY DRAYTON: When I asked my hon. friend to take these figures away I meant it. He is wrong—absolutely entirely and, I am afraid, incurably wrong. He tells us that the expenditure on elevators, one at Halifax and one at Prince Rupert, is greater than the whole amount of the increase in connection with the census—

Mr. McMASTER: I am sure my hon. friend will excuse me if I rise to a point of order, but item 365 has been called, which provides $200 for an annuity for one superannuated culler. Now as I understand the rules of the House the discussion must be directed to the item under consideration and these general remarks about the whole of the items are not, I respectfully and almost affectionately submit, in order.

The CHAIRMAN: I agree with the hon. member for Brome.

Mr. MEIGHEN: I think that when the hon. member for Brome becomes so anxious to get away from the economy issue we ought to yield if possible. I would be willing to let the minister have this $200 and give $200 to the member for Brome rather than sit here all night.

Item agreed to.

Progress reported.

On motion of Mr. Low the House adjourned at 11.45 p.m.

END OF VOLUME III